NATIONAL FREIGHT AND LOGISTICS POLICY

Ministry of Communications

Government of Pakistan

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Abbreviations

Abbreviation	Description
3PL	3rd party logistics
ADB	Asian Development Bank
ADR	Agreement on International Carriage of Dangerous Goods by Road
AEO	Authorized Economic Operators
APTTA	Afghanistan Pakistan Transit Trade Agreement, 2010
CAA	Civil Aviation Authority
CAREC	Central Asia Regional Economic Cooperation
CMR	Convention on the Contract for the International Carriage of Goods by Road
CPEC	China Pakistan Economic Corridor
ECO	Economic Cooperation Organisation
EDI	Electronic Data Interchange
e-Logistics	Electronic Logistics
FBR	Federal Board of Revenue
FIATA	International Federation of Freight Forwarders Associations
GDP	Gross Domestic Product
GoP	Government of Pakistan
HTV	Heavy Traffic Vehicle
HS	Harmonized System
HSSE	Health Safety Security & Environment
IMO	International Maritime Organization
ITS	Intelligent Transport Systems
IRU	International Road Union
IWT	Inland Waterways Transport
IWTA	Inland Waterways Transport Authority
IWTDC	Inland Waterways Development Company
KPI	Key Performance Indicator
KPT	Karachi Port Trust
LPI	Logistics Performance Indicator (World Bank)
MoMA	Ministry of Maritime Affairs
MoC	Ministry of Communications
MTO	Multi Transport Operator
NAVTTC	National Vocational & Technical Training Commission
NFLP	National Freight and Logistics Policy
NHA	National Highway Authority
NH&MP	National Highways and Motorway Police
NTDO	National Transport Data Observatory
NVOCCs	Non-Vessel Operating Common Carriers
PCLRA	Pakistan Courier and Logistics Regulatory Authority
PQA	Port Qasim Authority
REIT	Real Estate Investment Trust
SAARC	South Asian Association for Regional Cooperation
SAPT	South Asia Port Terminal
SMCP	Strategic Manpower Conversion Program
SRO	Statutory Regulatory Order
TIR	Transports Internationaux Routier (UN Convention)
TP	Trans-shipment Permit
WAPDA	Water & Power Development Authority
WeBoC	Web Based One Customs

1. Introduction

In the contemporary world, nations compete intensely to attract investment, increase exports and improve the livelihood of their citizens. While there are many underlying conditions and reasons for attaining success, one common denominator is the presence of a modern and efficient transport and logistics infrastructure. The ability to handle, store and transport goods to and from international markets is essential in achieving global competitiveness. Yet the capacity to move cross-border goods can be a challenging task. Efficient transport and logistics sector require reliable and modernized infrastructure; appropriate industrial capacity; business-friendly institutions to maximize contribution to trade and economy. Together they can strengthen trade and facilitate business, providing growth to the economy and people.

Pakistan's freight and logistics sector is poised with tremendous potential, owing to its' domestic market with over 220m people and international strategic geographic location. The Government is improving the transport infrastructure through the investment programmes under the China-Pakistan Economic Corridors (CPEC) and Central Asia Regional Economic Cooperation Program (CAREC) and is facilitating business by acceding to and agreeing international trade and transport conventions. In addition, in 2018 the Government adopted the National Transport Policy, recognizing multimodal logistics as one of the cross-cutting sectors and setting out the strategic directions for change of the freight and logistics sector.

The Government, cognizant of the potential of the freight and logistics sector, and aware of the international competitiveness has therefore decided to develop a National Freight and Logistics Policy (NFLP), setting out concerted and dedicated actions aimed at facilitating, modernizing and reforming the freight and logistics sector, with a view to enhance the competitiveness of the country, promoting local value chains and streamlining cross-border and global supply chains.

Box 1. Defining elements of Logistics

When considering the competitiveness of the Freight and Logistics Sector, the following factors need to be considered:

- **Infrastructural capacity** refers to the quality and extensiveness of transportation infrastructure, such as road network, railway stations, seaport terminals, and a host of logistics facilities such as distribution centres, container freight stations and logistics parks.
- **Institutional capacity** issues refer to the governance, enforcements and incentives to develop the sector. Laws, regulations and procedures are necessary, yet over-regulating the logistics sector can add excessive cost and time in the transportation.
- **Industrial capacity** is defined by the market structure, productivity of the labour force, application of technology and the deployment of assets. All these three elements shape the transport and logistical efficiency in each country.

The National Freight and Logistics Policy is a further detailing of the subsector Multimodal Logistics of the National Transport Policy and has been developed through a highly collaborative process; guided by the Steering Committee and the Working Group on National Freight and Logistics, chaired by the Ministry of Communications. It has greatly benefitted from the inputs received from various stakeholders including federal and provincial government agencies, transport operators, the business sector, academia and civil society.

The NFLP is structured as highlighted below:

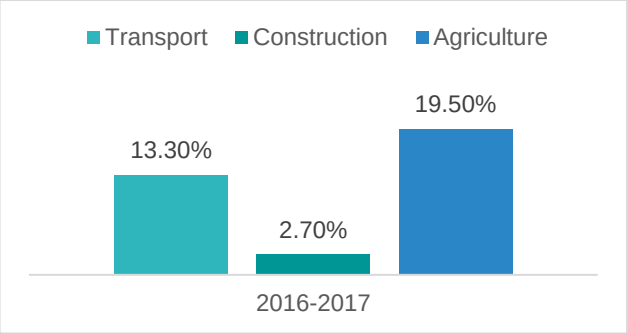
- **Chapter 1: Introduction** sets out the context to which the Policy is developed.
- **Chapter 2: State of Pakistan's Logistics Sector** describes the relative performance of and conditions in Pakistan's logistics sector. Detailed review of the current state of the logistics sector in Pakistan, the major issues and constraints are highlighted.
- **Chapter 3: Justification for the Policy** draws the conclusions from Chapter 2 and substantiates the necessity to develop the National Freight and Logistics Policy. In particular, the potential benefits are elaborated, noting that the transport and the logistics sector is by itself a sizeable component in Pakistan's economy and can boost the export competitiveness and decrease prices for the locally produced goods by bringing the transportation costs down.
- **Chapter 4: Vision, Objectives and Principles** provides guidance to the 'future-state' of the freight and the logistics sector in Pakistan.

- **Chapter 5: Policy Actions** elaborates interventions and defines enabling conditions required for each mode of transport. The implementation matrices, which describe the intervention along with stakeholders and the time-line are included for ease of implementation of the policy.
- **Chapter 6: Monitoring and Evaluation** provides insights to ensure the sustainability of the NFLP and proposes stakeholders' coordination mechanism. The chapter advocates that the World Bank 'Logistics Performance Indicators' (LPI) be adopted as an evaluation method to assess the progress and success of the NFLP implementation.

2. State of Pakistan's Freight and Logistics Sector

Transport and logistics are an important part of the economy in their own right, contributing to GDP and jobs[1]. The transport sector contributes more than 13% of GDP and 5.4% of total jobs to Pakistan's economy. This highlights the importance of the freight and logistics sector to Pakistan's economy.

Figure 1 – Percentage Share of GDP



Source: Economic Survey Supplement 2016-17

The logistics sector is highly fragmented and is in dire need of modernizations. The largest road freight transporters control less than 2 percent of the total market share and almost 85% of the companies involved in the logistics and road freight sector are owner-operator companies. In general, these owner-drivers are poorly trained, lack insurance for the drivers and their cargo, with vehicles based on obsolete technology that are not in compliance with the certification requirements for vehicles under international agreements and are incapable of meeting the performance demands of a modern supply chain. Most operators lack the financial capacity to modernize their trucks. Furthermore, because the fleet is obsolete, it creates perverse incentives for perpetual overloading of trucks that damages the road network, leading to extra expenditures for road maintenance and a poor-quality road network. Efforts to enforce the axle load regime, resulted in resistance from either the operators or industry and deferment. The most recent attempt in 2019 was received positively by many operators, however was criticized by the industry due to its' sudden implementation, absence of a transition period and the potential increase in logistics costs.

Pakistan has a skewed modal transportation mix, with approx. 94% of freight moved by road. Road transport is one of the most expensive mode of transport, elevates the supply chain cost for the whole economy. The national highways and motorways carry the majority of all freight, and in particular the N5. Under CPEC and CAREC, significant investments have been made to the national highways and motorways, with an expanded and enhanced network across the country. Pakistan Railways has lost its competitiveness to road transport, and the rail infrastructure is in poor condition nor is the organization adequately geared towards. Recently, Pakistan Railways has been able to prioritize freight and therefore regain some freight. Inland waterways are not yet utilized, despite the existence of the Indus River and attempts from Attock to Daud Khel. Air freight is very limited, with all domestic airlines prioritizing passengers over freight. The multimodal transport infrastructure is almost non-existent giving rise to overreliance on road transport. This modal imbalance is over-burdening road systems, causing congestion, creating pollution and damaging roads, all contributing towards high cost of transportation.

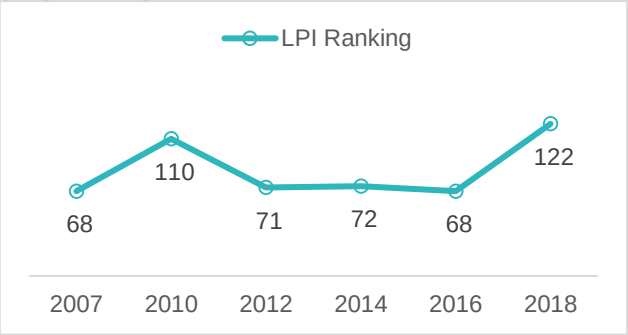
Karachi Port and Port Qasim are the international gateways. These two ports together export and import over 95% of all freight of the country. Recent expansions and developments have seen significant improvements in reduced dwell times, from 11 days to less than 6 days. However, still improvements are required due to delay in clearance from customs. Connectivity to and from the Karachi Port is a point of concern due to the congestion currently witnessed and the lack of a functioning rail connectivity. Gwadar Port has the potential of becoming a transhipment port but is still very much under development.

1 The Transport, Logistics, and Communication sector includes: Road transport, Pakistan Railways, Pakistan International Airlines, Port& Shipping, Communications, Electronic Media in Pakistan, Pakistan Post Office. The estimate of 13% is an estimate based on data in the Pakistan Statistical Year Book.

Warehousing and a cold-storage supply chain are in early stages of development. Due to long free times allowed at the ports there was no immediate need for warehousing facilities nearby the ports. Similarly, cold-storage supply chains are largely absent with no such facilities at many railway stations or airports. It is estimated that over 40% of all perishable goods is lost due to lack of adequate warehousing facilities.

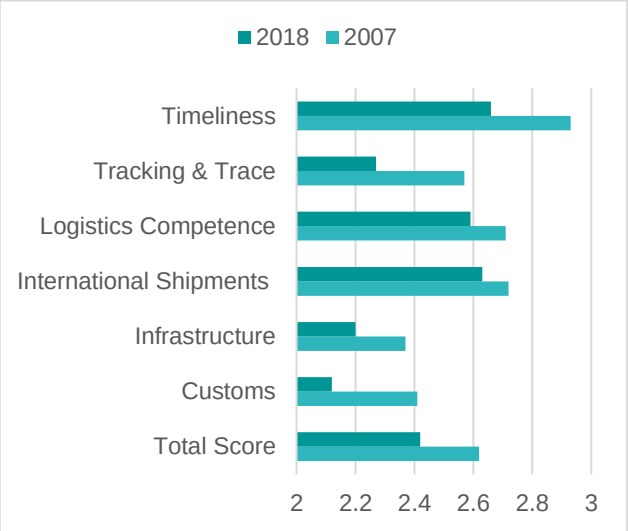
The institutional framework governing the logistics sector in Pakistan is underdeveloped and governed by a mixture of old and new laws that need to be updated and harmonised. Only recently, the Government has adopted a National Transport Policy, which is yet to be materialized through implementation. A draft law titled the Carriage of Goods by Road Act, was prepared in 2003 but was never approved. The Trucking Policy of 2007 identified the need for a change in the sector but has never been formally implemented. The various provincial and the federal laws are outdated and not adequate for the contemporary logistics industry. The absence of a unified transport ministry, results in additional coordination efforts and slows down implementation of the policies. Burdensome documentary requirements and customs procedures result in the delays and escalate shipment costs. Similarly, the implementation of international transport conventions, in particular TIR, is yet to become fully operationalized and utilized. The transit trade agreements with Afghanistan, an important transit trade country, are also not fully functional.

Figure 2 – Pakistan Logistics Performance Indicators (LPI) Ranking



Source: World Bank

Figure 3 – Pakistan LPI Score between 2007 and 2018



Source: World Bank

E-commerce is at a nascent stage in Pakistan. The market is significantly growing, doubling every year. In 2019 the Ministry of Commerce has developed an e-commerce policy, addressing and facilitating the growth of this sector. The 3rd party logistics (3PL), play a pivotal role in facilitating the services from business to consumer. This service and the capacity to handle small consumer goods, in particular with cross-border trade, will be a factor of significance and need to be addressed.

Pakistan is faring poorly in Logistics Performance Index, ranking 122nd in 160 nations down from 68th rank in 2007. This wide fluctuation and deterioration are caused by less than optimal logistics parameters in the country. A significant deterioration is evident in the index ranking since 2007, with the largest drop witnessed in Customs, and Tracking and Trace. It is also being outperformed by nearly all of its' regional neighbours. To the contrary, Pakistan has significantly improved recently on the ease of doing business index from the World Bank, moving up 28 places, particularly due to ongoing reforms with regards to company registration.

Box 2. Types of Service Providers in the Industry (by alphabetical order)

Types	Description
Cargo Insurance Company	There are different insurance companies offering Marine and General cargo insurance services; usually the private insurance companies in Pakistan act as agent to their foreign principals. Marine insurance tends to be door-to-door insurance cover and based on the classes there are special clauses like vessel age and transport fleet conditions, crating, packing, fumigation etc.
Consolidators	There are consolidators who offer undertook delivery of containers in private or own yards and perform self-manifestation. They are issuing direct delivery orders and may operate in co-loading with other consolidators and freight forwarders.

Types	Description
Customs Broker	The Custom Brokers tend to have their own custom clearance licenses, which authorize them to perform the custom clearance services. These brokers also provide the international freight forwarding and the transportation services. As it is convenient for the importer and the exporter that their custom broker performs the transportation to and from the port. This makes a smooth single window operation. There are specialized custom brokers in some field such as, oil, gas, energy and industrial projects. These brokers focus in the specific products, namely paper, plastic, vehicles, iron scrape, consumer goods, chemicals etc.; They operate through different Statutory Regulatory Orders (SROs) and Harmonized System (HS) codes.
Financial Institutions	Mostly commercial banks are dealing with Letter of Credits, Sales Contract, Intercompany Accounting of freight forwarders & carriers along with foreign remittance; State Bank of Pakistan regulates money side of both export and import freight shipments.
Freight Forwarders	There are mainly two types of the freight forwarders operating in Pakistan. One, are those forwarders who have single network and a global presence. The others are acting under Principal & Agent contract. Both have their own dynamics with pros and cons. Forwarders are also acting as 3PL solution providers, Contract Managers and Ship Agents. They provide multiple value-added services.
Non-Vessel Operating Common Carriers (NVOCCs)	Non-Vessel Operating Common Carriers (NVOCCs) are evolving on a limited scale, however currently they are unable to create any dent in the market because the shipping lines prefer own slots, moreover the current recession in imports has further minimized the scope of NVOCC. However, at times they are very effective and convenient to customers, especially in an end to end solution.
Project Logistics (Specialized Transporters)	The heavy, over dimensional industrial equipment, power generation units, refineries and other project cargo are handled and transported by the project logistics companies; who have specialized trailers, handling equipment and experienced team to handle such projects. This specialization is often offered by few freight forwarders, transporters and the custom brokers. Special approvals are needed from National Highways and Motorways Police (NH&MP) and National Highway Authority (NHA) to move such project cargo.
Shipping Agent	The ship agents in Pakistan are acting as agents for the single shipping line and also multiple shipping lines, depending on their agreement. They also offer ship husbandry services and stevedoring.
Shipping Line	There are a few shipping lines directly operating in Pakistan. Mostly the shipping lines work with the ship agents. The shipping line are offering services to the freight forwarders and directly to the exporters as well. Some fleet operators and carriers have also diversified and developed their logistics wing, which makes them competitors to the freight forwarders. The shipping lines have contracts with the private container yard operators to handle their equipment.
Terminal Operators	The port terminal operators tend to have agreement with the shipping line and the forwarders for the terminal handling services like for the container yard from the terminal to the container yard, freight handling services, container freight station, where usually the freight forwarders perform the consolidation and the de-consolidation services. These terminal operators are also diversified and offer the container freight train services, a sea - rail and sea-road mix.
Third-Party Logistics Service Provider (3PL)	Other than freight forwarders, there are some logistics companies, transporters, who are offering 3PL services in both road transportation and container freight train services, which brings some multi-modalism, though not according to definition per se, through a mix of warehouse management, contract management, transport, terminal operations and rail freight.
Truck Operator	There are mainly two types, the market transporters and the fleet operators (minimum 20 - 25 trucks). The truck operators are offering transportation of dry cargo, bulk cargo, containers and the fluid cargo not limited to the fuel, gas, chemicals etc. The fleet can be under the single ownership or a pool of trucks from multiple owners.
Warehouse Operator	There are two types of warehouses, the general cargo warehouse and a cold storage warehouse. Some of these warehouses are operated by freight forwarders. Specialized private entities design and build warehouse to the customer requirement; Rental warehouses are also available; the landlord offers an open and covered area for the tenant to either make their own constructions or ask the land load to build or modify according to the customer requirements. The bonded warehouses are also available but are few in numbers, bonded warehouses usually deal with the scrap, plastic pellets, lubricants and the steel coils etc.

3. Justification for the NFLP

3.1. Rationale

The logistics has a profound impact on the implementation of the structural changes needed to achieve a sustainable and an inclusive development. In Pakistan a new policy paradigm is needed to address the major constraints in meeting the current demands for the freight and the logistics. The lack of a comprehensive vision for infrastructure, logistics, mobility and transport hampers the realisation of a broad based and an inclusive economic growth.

The different parts of the freight transport and the logistics value chain are currently being managed by numerous different ministries and government agencies/organisations, including the Ministry of Communications, Ministry of Maritime Affairs, Ministry of Railways, Aviation Division, Ministry of Commerce, Ministry of Planning, Development and Special Initiatives, Federal Board of Revenue (FBR), as well as the Provincial Governments. The absence of a unified ministry to lead the development of logistics is a significant barrier.

To improve the level of multimodal transport, there is a need to update the legal and regulatory regime to safeguard and harmonize the interests of multiple stakeholders. The restructuring of regulatory regime and protection of stakeholders' interests have to be in line with the global standards, industry norms and international conventions; in order to satisfy the trading partners. Given the potential to expand the overland trade with Pakistan's neighbours and within the Economic Cooperation Organisation (ECO), Central Asia Regional Economic Cooperation (CAREC) and the South Asian Association for Regional Cooperation (SAARC) regions, it is important for Pakistan to modernise its laws and strengthen the enforcement mechanism.

The National Freight and Logistics Policy (NFLP) responds to the inability of the country's freight and logistics system to meet the demand for goods transport (and associated supply chains) at competitive prices and adequate service levels (both quality and reliability). Such higher price and below par service partially stem from a combination of erratic policies, regulatory failures and institutional weaknesses that require operators and service providers to deal with multiple entities and administrative procedures. While some infrastructure components of the transport network (e.g. the world-class motorways and container ports) operate at acceptable service levels - it is holistic performance of transport and logistics services that needs improvement. An integrated system level approach is needed that signals a shift from a static supply-oriented provision of trucking and warehousing services to a dynamic demand-driven delivery of freight and logistics services for both domestic and cross-border goods movements.

Pakistan has adopted a National Transport Policy which defines multimodal logistics as one of the cross-cutting sub-sectors and provides an overarching framework within which a National Freight Logistics Strategy can make significant contributions to improve the sector.

Box 3. Why is Multimodal Logistics Important? Comparing Road vs Rail Transport

Overview

In 1947, Pakistan inherited 8,200 km. of railway network, but over a period of time, this sector was neglected; with low levels of maintenance and almost no up-gradation of the railway infrastructure due to shift of freight to the road network. Pakistan Railways over time lost capacity to cater to the increasing demand of freight cargo. There is an immediate requirement to strengthen rail infrastructure. Stronger railway infrastructure will help to bring the overall logistics cost down for the whole economy.

Rise of the Road Transport

In the 1950s, Pakistan Railways' share in the freight haulage was over 86 percent which has tremendously decreased to current around 6%. The transport and the logistics sector in Pakistan is diverse in composition and comprises railways, roads, ports, shipping, aviation and the logistics services. The road transport dominates the mix and carries about 94% of the freight traffic and around 93% of all passengers. The over-reliance on road transport causes congestion and deterioration of the road network. The motorways and the national/provincial highways constitute the major road networks of Pakistan. The national highways and the motorways constitute less than 10% of the total road network but carry almost the entire freight traffic. The busiest route is the north-south N-5 highway, running from Karachi to Torkham. The route is about 1,760 km. and carries about 65 percent of the inter-city traffic and serves 80 percent of Pakistan's urban population.

Inefficient Trucks Operations and the Deteriorating Effects on Road and Environment

There are about 500,000 registered trucks and pick ups operating in Pakistan, of which the majority are obsolete old trucks, with rigid suspensions; these trucks have limited speeds, are heavy on fuel consumption and also have a deteriorating effect on the road surface. The operation of these old trucks is highly inefficient in terms of time and cost. The trucking sector suffers from a weak regulatory environment, resulting in over-loading, poor safety and a low quality of service.

Why it is important to re-balance Freight to Rail Transport

According to the World Bank research, a single freight train can replace one hundred trucks at a time from the road. Rail transport is also the more cost-effective mode of logistics, where one gallon of fuel can transport one tonne of goods to 250 miles compared to 90 miles by the road. In the UK, the share of the freight by rail is about 23 percent in 2018-19. The total volume of the rail freight in the UK was around 17.4 billion net tonne kilometres in 2018-19. As per the 2016, NHA report; the international regulations overseeing the long-haul traffic specify that the articulated trucks (trailers) should constitute at least 50% of the truck fleet; while in Pakistan, the articulated trucks comprise only 12% of the total fleet composition. As the CPEC projects mature, estimates are that an additional 100,000 trucks will be needed to transport construction material and handle increased volumes of trade. The efficient movement of freight by rail can help reduce the demand for the additional trucks, in turn easing congestion, reducing the deterioration of roads and facilitating faster, safer, economical and environmentally friendly movement of freight by rail.'

How Railways can alleviate Roads Deterioration and Axle Load Control Issues

The axle load has not been effectively controlled and over-loaded trucks cause severe damage to the national and the provincial highways. The movement of the freight by rail will help transfer the freight traffic to rail and prevent further deterioration of the road network.

Benefits of the Freight by Rail

The improvement in the rail infrastructure, with transfer of freight to rail from road shall yield the following broad benefits, namely:

- Enhanced and an efficient movement of freight by rail;
- Saving of time and the reduced vehicle operating cost;
- Improved export competitiveness in the region;
- Enhanced rail/freight safety, lower rates of accidents due to better quality of track, engines and the freight bogies;
- Lesser congestion and deterioration of roads;
- Better emission quality and environmental standards;
- The efficient rail-based freight service shall create healthy competition with the freight by road; and
- The improved rail freight service will help provide an enhanced level of service at competitive prices to the customer.

Based on the above discussion, there is a compelling evidence to encourage a greater shift of freight from the road transport to the rail transport.

3.2. Potential Benefits

The effective and an efficient logistics system can be a key contributor to a robust economic growth in Pakistan; freight and logistics holds all the potential and the promise to facilitate domestic and foreign trade, promote global competitiveness, enhance incomes and reduce regional economic disparity. The sector is one of the most important enablers of trade in the country. Specifically, an efficient freight transport and logistics network has the potential to increase farmers' income manifold, which can provide a catalyst to increasing the overall performance of the country's economy. Reliable, efficient and cost-effective logistics infrastructure for commercial goods is critical to enhance Pakistan's inclusive and rapid economic growth.

Globally, leading countries that have achieved efficiency in the logistics; follow a completely integrated approach towards the logistics; in such integrated logistics the government provides a coordinated oversight to the entire logistics value chain. In some countries, a Special Committee Chaired by the Prime Minister reviews progress of the National Integrated Logistics Action Plan. Pakistan can easily integrate and optimize the various elements of its logistics value chain, to ensure seamless, multi modal growth of an efficient freight transport and the logistics sector.

An efficient and a reliable logistics network, coupled with a transparent and a consistent cross border trade facilitation process is a key driver of export competitiveness in the country. It acts as an enabler for expanding the foreign markets for the indigenous goods. Improving performance of the freight transport and logistics sector can lead to a stronger integration of Pakistan's economy into the global economy, resulting in positive effects, such as higher GDP growth, increased exports, and create employment opportunities. The reduction in the logistics costs will ensure that the Pakistani products become more competitive. Efficient freight and logistics sector entails stronger and deeper trade relationships among the regional economies. So, the development of this sector would accrue strategic and futuristic benefits, such as regional peace and stability stemming from cohesion and an inter-reliance on the economies of each other.

Other benefits, include:

- Improving the fuel economy of the trucks will reduce the transport costs. Given that transport costs represent almost 25 percent of the total product costs. So, this would translate into lower prices for food and other manufactured products.
- Increasing the speed of transport will enable businesses to gain access to the new international and the domestic markets. Reducing the overloading of trucks will also reduce the damage to the roads as well as the costs of maintaining the network.
- Reduction in the waste from the perishable goods that are being transported. It is estimated that around 33% of the current agriculture output is wasted because of the lack of the cold-chain and the perishable supply chain.
- Lower levels of harmful greenhouse gas emissions.
- Lower bills for energy imports (the transport sector consumes 35% of the total energy in Pakistan).
- Increase the competitiveness of Pakistani exports. For each day less that freight spends in a supply chain, trade can increase by 4.5 percent.
- Higher revenue collection as a by-product of improving the efficiency and performance of supply chains can increase GDP by up-to 5 percent.
- Increased road safety through reducing the number of trucks by using alternate transport modes such as Railways, Inland waterways etc. The natural corollary of the integrated and an efficient multimodal logistics system will be an overcoming of over-reliance on the road-transport.

4. Vision, Principles and Objectives

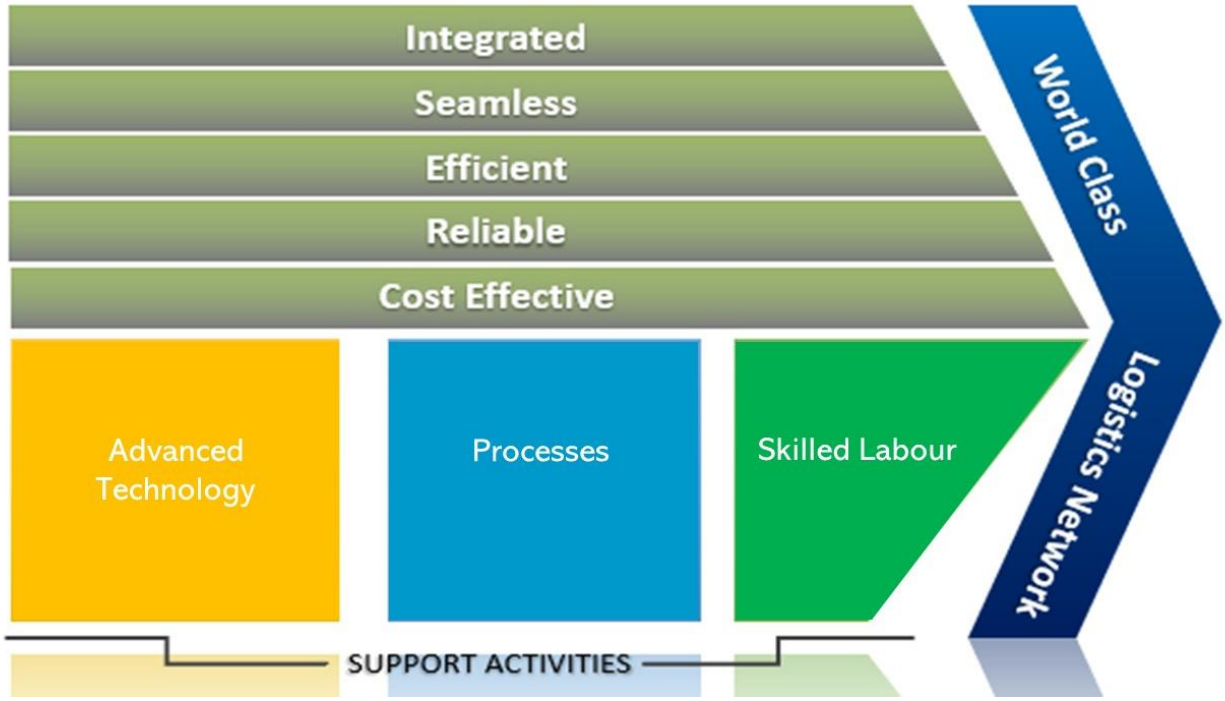
4.1. Vision Statement

Through improving the freight transport and logistics network, the country's competitiveness will improve and enhance the trade and an economic growth potential. This is expressed in a unifying vision of the freight and the logistics sector:

> ***"To drive economic growth and trade in Pakistan by increasing the country's competitiveness through an integrated, seamless, efficient, reliable and cost-effective freight transport and logistics network, leveraging best in class technology, processes and manpower."***

This can be visualized as follows:

Figure 4 – Vision for National Freight and Logistics Policy



Box 4. Annotations to the Vision

- **Logistics Network:** a sequence of distribution operations that works together to deliver a product or a service to the market.
- **Integrated:** unified with various parts of different logistics systems and transport modalities linked.
- **Seamless:** happening without any sudden changes, interruption, with no barriers between the different logistics systems.
- **Efficient:** ensuring a logistics system which utilizes the available resources effectively.
- **Reliable:** able to maintain consistent and predictable performance. Offers certainty in meeting performance targets.
- **Cost Effective:** creating a transport system that is efficient in its operations and fair in determining prices, where gains of the efficient operations are equitably distributed among shippers and carriers.
- **Technology:** utilizing new or high technology in logistics operations
- **Processes:** a series of logical steps taken to achieve product delivery from one end to the other
- **Labour:** requires workers who have specialized training or a learned skill set in logistics to perform the work.

4.2. Objectives

In realizing the vision, the **strategic objective is to lower the logistics costs, improve the customer service and increase the speed and reliability of the services provided**. This will drive economic growth, boost trade and improve domestic industries and can trigger a virtuous cycle of transport efficiency and world class service delivery in the freight and the logistics sector.

In view of the vision and the strategic objective, 10 objectives are identified. These are prioritized areas of development for implementation due to their significance in improving the efficiency and professionalism in the freight and the logistics industry in Pakistan. These objectives are based on the 5-C model (see box 5.):

Objective 1. **Realign Institutions and provide an Effective Regulatory Oversight** to enhance the quality, procedures and processes set out by the Government.

Objective 2. **Stimulate Private Sector Investment by Providing an Enabling Environment for Modernizing the Logistics Infrastructure** to provide the enabling platform for the private sector to invest and modernize their logistics operations.

Objective 3. **Strengthen the Transit Trade Business with the Neighbouring and Regional Countries** to facilitate international trade.

Objective 4. **Enhance Multimodal Linkages** to encourage and make optimal use of the infrastructure provided and being developed.

Objective 5. **Encourage Freight by Railways** to increase the capacity of the railway sector as it is one of the most efficient modalities for transporting the long-distance goods.

Objective 6. **Establish a Modern Trucking Fleet** to increase the competitiveness of the sector and reduce the negative externalities of the out-dated fleet.

Objective 7. **Build Urban-Rural Connectivity** to enhance and promote linkages of agriculture products to the markets.

Objective 8. **Develop E-Logistics** to encourage and facilitate the emerging market of small customer goods, domestic and internationally.

Objective 9. **Adopt Intelligent Transport Systems (ITS)** to enable the usage of modern state of the art technologies

Objective 10. **Training and Capacity Building of the Industry** to promote skilled labour.

Box 5. The 5 C's and the role of the Government

The objectives of any logistics sector can be elaborated along the following framework:

Connectivity

Measures that establish well-functioning market linkages and supply chains through accession to and implementation of international conventions and complying with international standards.

Competitiveness

Actions that resolve the issues in each transport mode to improve time and cost performance. This also considers aspects such as supply chain reliability and security, as well as multimodal transport.

Cross-Border Transit

Initiatives that simplify border crossing formalities to shorten border crossing time and lower the associated costs. The inititives include infrastructure and procedural assessment and improvements at land and sea gateways.

Information and Communications Technology

Adoption of innovative solutions that are technologically driven to improve operational performance and service delivery in Pakistan.

Capacity Building

Incentivize the sector to attract and retain talents and, thus enhancing and sustaining the sector's long-term development and competitiveness.

Role of the Government: Freight transport and logistics are activities that are best left to the private sector companies; government should not be involved in delivering the actual services and products that flow from the implementation of the NFLP. The role of the government should be to facilitate and support; government should help create transparency, remove physical and non-physical bottlenecks and barriers to improving customer service, lowering costs, and increasing speed and reliability. These activities cover setting and enforcing standards, acceding to international conventions, providing public infrastructure, and set out a regulatory regime in which the private sector can thrive.

Objective 1. Realign institutions and provide an effective regulatory oversight

1.1. **Establish the Pakistan Courier and Logistics Regulatory Authority** to oversee the regulations of the freight and logistics industry.

1.2. **Develop industry regulations for courier and logistics** establishing the requirements for the functioning sector, including vehicle and operating standards, for the freight and the logistics industry.

1.3. **Continue the development of and discussion on Freight and Logistics through the Steering Committee on Freight and Logistics** as the consultative platform for development of the logistics sector and address emerging issues and tasks.

The specific implementation actions are elaborated under the 'Institutional Structure for Governance' in the Policy Actions.

Objective 2. Stimulate Private Sector Investment by Providing an Enabling Environment for Modernizing the Logistics Infrastructure

2.1. **Develop and implement a Logistics Industry Transformation Plan** that operationalize the policy recommendations and interventions, allocating required resources and detailed timeframes with action.

2.2. **Define Development Mechanism for the Logistics infrastructure** is fundamentally important because such capital-intensive projects require reasonable levels of policy and regulatory certainty. Guidelines on the procurement processes, awards and concessions, how to utilize public-private partnership, build-operate-transfer or other modes have to be considered.

2.3. **Expand the Financing Options** through innovative financing mechanisms such as private-public partnerships, self-sustaining impact funds and supporting entrepreneurial ventures in the area.

2.4. **Enforce rules and regulations** to provide an equal playing field for all private sector operators, this includes enforcement of axle load and vehicle standards, as well as land titles and the prevention of encroachment and illegal squatters.

2.5. **Provide and enhance transport data and statistics** to inform decision making by the private sector.

The specific implementation actions are elaborated under the 'Enabling Environment for Private Sector Investment to Modernize Logistics Infrastructure' in the Policy Actions.

Objective 3. Strengthen the Transit Trade Business with the Neighbour Countries

3.1. **Streamline Customs and Border Controls**, which include the bilateral customs data interchange with the neighbour countries and using the risk-based management and technologies to simplify the controls. Facilitate Border Crossing, so that the transit goods can move across the border with the least time and fees. This would require redesign of the infrastructure, using modern equipment, better layout design and harmonize operating procedures and documents.

3.2. **Provide Attraction and Incentives to Promote and Facilitate the Transit Trade.** Promoting Gwadar for the transit trade to the land-locked Afghanistan, Central Asian Republics and the western regions of China through incentives, infrastructure and the multimodal connections.

3.3. **Drive the full implementation of the TIR and the CMR** to increase the transit business and increase the attractiveness of Pakistan as a transit nation.

3.4. **Integrate Logistics considerations in the Special Economic Zones and Industrial Parks** to facilitate an efficient movement of the goods.

The specific implementation actions are elaborated under 'Transit Trade Facilitation' and 'International Conventions, 'Standards and Agreement' in the Policy Actions.

Objective 4. Enhance Multimodal Linkages

4.1. **Enhance the road capacity to Karachi Port** by taking measures to streamline traffic and alleviate road congestion in near port areas at Karachi Port.

4.2. **Develop and build direct rail connectivity to the Port Terminals** to ensure an efficient and an uninterrupted operation of the rail from all the terminals of Karachi Port, Port Qasim and in due course Gwadar Port.

4.3. **Establish Road-Rail Linkages** by developing state of the art trucking stations in cities and providing rail linkage to these trucking stations. Rail linkage with these truck terminals will also help Pakistan Railways to utilize the coverage of the road transport.

4.4. **Encourage 3rd party multimodal transport operators** that can operate across multiple transport modes and facilitate transport from door-to-door.

4.5. **Promote and establish warehousing and cold-storage supply chains**, to increase the quality of the logistics operations, particularly of the perishable goods and enhance the timeliness of the logistics operations.

The specific implementation actions are elaborated under the 'Seaports and Port Logistics', 'Multimodal Logistics', 'Air Transport' and 'Inland Waterways Transport' in the Policy Actions.

Objective 5. Encourage Freight by Railways

5.1. **Modernise the Railways Infrastructure** to establish a competitive and an efficient network to the key markets across the country. This will include extending the rail network to the ports and the dry ports, enhancing the capacity for the containerized goods and enabling the cold-storage supply chains.

5.2. **Reform Pakistan Railways to adopt market-driven practices**, such as establishing a freight transportation company, entering into public-private partnerships, outsourcing selected Railways services and implementing dynamic pricing regime; where pricing is based on the demand and supply.

The specific implementation actions are elaborated under the 'Rail Transport' in the Policy Actions.

Objective 6. Establish a Modern Trucking Fleet

6.1. **Revive and implement the Trucking Policy** to harmonize and set out the required vehicle standards and promote modern vehicle fleets.

6.2. **Develop a Vehicle Fleet Renewal Programme,** to incentivize establishing a modern competitive trucking fleet

6.3. **Improve Regulation on the Movement of the Dangerous Goods,** including considerations for accession to the UN Convention on the dangerous goods ADR.

6.4. **Enhance the implementation of the Axle Load Regime,** to improve the quality of the logistics and reduce the negative externalities of the overloading to the environment and the road network.

The specific implementation actions are elaborated under the 'Road Transport' and 'International Conventions, Standards and Agreement' in the Policy Actions.

Objective 7. Build Urban-Rural Connectivity

7.1. **Improve the management of freight transport in urban areas,** this includes facilitation through warehousing and cargo villages near the outskirts of the urban area.

7.2. **Increase supply chain efficiency in the rural areas**, such as instituting the cargo-generating projects and hub-spoke designs that lowers the cost of transportation

The specific implementation actions are elaborated under the 'Urban-Rural Transport' in the Policy Actions.

Objective 8. Develop E-Logistics

8.1. **Reduce the cost of First Mile and Last Mile deliveries**, which should incorporate e-commerce logistics considerations for the spatial planning, regulation on the use of the personal mobile devices and working protocols for the dispatch riders.

8.2. **Promote Electronic and Mobile Payments**, to reduce the risk and inefficiency of using cash for the transactions.

8.3. **Encourage warehousing for small consumer goods** to facilitate ease of shipment and reduce costs.

The specific implementation actions are elaborated under the 'E-Logistics' in the Policy Actions.

Objective 9. Adopt Intelligent Transport Systems (ITS)

9.1. **Encourage Just in Time delivery** through adoption of technology to decrease inventory and consequently working capital.

9.2. **Support the implementation of the ITS** and conduct trials and pilots for innovations to be implemented nation-wide.

9.3. **Promote Smart Logistics**, through the use of the technologies, such as ABCDs (Artificial Intelligence, Blockchains, Cloud Computing and Data Analytics).

9.4. **Encourage and facilitate Track and Trace technologies** by all parties involved in the logistics industry, this includes the public and the private sector.

The specific implementation actions are elaborated under the 'Information Technology' in the Policy Actions.

Objective 10. Training and Capacity Building of the Industry

10.1. **Introduce capacity building programs**, which focuses on employability and industry-academia linkages.

10.2. **Develop the Accreditation, Certification and Standards**, to describe the skillsets and qualifications, particularly concerning driver licensing and training

10.3. **Encourage the setup of Centres of Excellence** to promote technology transfer.

The specific implementation actions are elaborated under the 'Capacity Building' in the Policy Actions.

4.3. Principles

In addition to the objectives, it is essential to follow several guiding principles in designing and implementing the actions. The principles lay down the foundations which every intervention shall be required to meet.

Principle 1. Freight and Logistics policy shall be objectives-led, and target driven. The objectives and targets shall guide the development of the logistics sector leading to informed decision-making at all levels of the government. The targets will be made 'SMART' (Specific, Measurable, Achievable, Realistic, Time-bound).

Principle 2. The Government shall provide the enabling environment for the logistics sector, considering the wider economic, environmental and social government policy frameworks. The Private Sector shall work on commercial basis, within the framework provided by the Government. Clear separation of the roles between the policymaker, regulator, and the operator shall be pursued. The regulatory and the policy functions shall remain core responsibilities of the Government and will be distinguished from the operating and management functions of the transport services.

Principle 3. Decisions shall be guided by evidence and data. In support of Principle 1, the Government shall improve the quality and quantity of the data and the statistics, relevant to the logistics sector. The processes and methods for the data collection will be made transparent and consistent across Government. A national data centre with focus on Logistics information shall be institutionalized, such as the National Transport Data Observatory (NTDO).

Principle 4. Projects and programs shall contribute to a multimodal and integrated transport system. The heavy reliance on the road freight is not cost-effective and is not sustainable in the long term. While cognizant of the limitations of the infrastructure, institutional and the industry issues in the alternative transport modes, the holistic view of a multimodal transport and the logistics system shall remain the key principle to guide the decision making and the investment. The central planning body within the Government is desired to have this role in the coordination and approval.

Principle 5. The use of technology and innovation shall be incentivized. The Government shall provide an enabling environment, not limited to the tax incentives but also to encourage the foreign and the domestic investment in high technology and innovation. The regulatory guillotine shall be used to remove or simplify bureaucratic and the administrative barriers while maintaining socio-economic well-being of the country. Cutting edge technologies shall be encouraged, nurtured and developed through the provision of a business-friendly

environment, industry-academia collaboration, vocational training and fostering an entrepreneurial spirit with the young generation.

Principle 6. Human resources capacity shall be strengthened. The Government shall set the conditions for the private sector to invest in the logistics skills-set, including the drivers/operators, transport and terminal operators, and the service providers. The Government shall facilitate and support partnerships between the logistics industry, educational institutes and the logistics associations to conduct formal educations to the current practitioners as well as the future transport / logistics specialists.

5. Policy actions

The policy actions set out the different interventions for each focal area. A brief description is provided with the lead implementor. The implementing agencies are primarily the government entities that will execute the policy. To ensure accountability, the lead implementer is identified for every action. This lead implementer is the 'process owner', who serves as the primary focal point and coordinates with the other co-implementers to complete an action.

An implementation matrix to identify the co-implementing parties, the Key Performance Indicators (KPIs) and the timescale for the implementation is provided in Annex B.

5.1. Road Transport

Action	Description	Lead Implementor
Revise Trucking Policy	Review and revise the Trucking Policy 2007 with a view to provide effective actions to develop, operate and maintain a modern vehicle fleet in Pakistan	Ministry of Industries and Production and Ministry of Communications
Establish a Truck Renewal Programme	Develop in consultation with the Industry a truck fleet renewal programme to modernize the fleet in line with international standards by providing incentives to the Industry for modern vehicles and setting a sunset clause for older vehicles.	Ministry of Industries and Production and Ministry of Communications
Adopt WP29	WP29 is a UN technical standard for harmonizing vehicle specifications and can improve and hamronize local manufacturing standards.	Pakistan Standards and Quality Control Authority
Recognize semi-trailers as transport vehicle	Setup registry for semi-trailer and classify them as transport vehicle.	National Highway Authority
Update and harmonize legislation	Adopt and implement model Road Safety Act, which updates Provincial Motor Vehicle Ordinance 1965, across all provinces and territories, with a view to cover all types of vehicles, and harmonize rules, procedures and the safety standards applicable to ensure roadworthiness and safe transportation to avoid accidents and unnecessary road maintenance. This will include the latest road safety act and define vehicle age limits and vehicle fitness requirements, decommissioning of over-aged vehicles, registration of prime mover, as well as chassis and tank lorry, specify the registration procedure for non-standard delivery/transport vehicles, and harmonize weigh limits. This should use international standards and benchmarking with International Road Union (IRU) in order to let the Pakistani trucks smoothly transit in neighbouring countries.	Ministry of Communications and Provincial Transport Departments
Enforce drivers' registration and training	Enforce Drivers' Registration, in line with the Driver Licensing Guidelines from Ministry of Communications, where drivers' training and licensing documents be in both English, Urdu and provincial languages, if needed.	Provincial Traffic Police
Revise and enhance regulation of tyre and lubricants	Revise and enhance the regulation of the tyre and lubricants used for cargo transport, utilizing Section 74 of Provincial Motor Vehicle Ordinance 1965 This will include disposal of disposal of used tyre and lubricants, along with the spare parts to avoid reuse and the environmental hazards.	Ministry of Communications, Provincial Transport Departments

Action	Description	Lead Implementor
Improve, Licensing and regulation of Heavy Transport Vehicle	Improve the licensing procedure for the Heavy Transport Vehicle (HTV) in line with the guidelines for vehicle licensing and enforce vehicle manufacturing standards.	Provincial Traffic Police, National Highways & Motorways Police, National Highway Authority Provincial Transport Departments
Enforcement of axle load regime	Re-enforce the axle load regime but offering necessary transition period before rigid enforcement. GoP may: • Conduct more consultations with major users of road freight (e.g. cement, sugar, fertilizers) on the transition time to full implementation of axle load regime • Publish transition lead times and the formal implementation date after taking into consideration all the inputs of stakeholders • Define the set of penalties for violations after the implementation date. • Develop alternative transport solutions for areas that do not have alternative mode of transport	Ministry of Communications
Permit bonded warehouse facility for imported vehicles	Permit bonded warehouse facility for imported vehicles, prime movers and trailers to encourage international trade.	Federal Board of Revenue
Set Vehicle standards	Enforce and enhance national regulations for Manufacturing and Assessment of locally produced transport vehicles, chassis and trailers. These standards are important to ensure the road-safety. In addition, it is also imperative to enforce the inspections to certify the road worthiness of the vehicle, chassis and trailers before commissioning operations on the road.	Pakistan Standards and Quality Control Authority
Define Liabilities for road freight	For domestic transport, define liabilities for road freight in case of loss, damage or delay during road transport. For the international transport, the CMR Convention implementation will help address the issue because it amply defines the liabilities.	Ministry of Communications
Develop National Road Consignment Note	Define, enforce and promote national Road Consignment Note for domestic shipment where details of liability and responsibility of the carrier and the shipper should be defined along with the compensation in case of loss, damage of delay. Preferably these Road Consignment Note may be aligned with the CMR (International Road Convention). This will replace the different formats of 'bilty'.	Ministry of Communications
Develop Road-side infrastructure	Construct a national network of the road-side amenities to offer proper resting place for the long-haul drivers, particularly in places like Baluchistan and at key junctions such as Sibi and Speizend, where such amenities are lacking, with the consideration to encourage private investment to construct and operate the amenities after procurement by government, These can support the trade routes with the region	National Highway Authority, Provincial and Regional Road Agencies
Issue Project-Cargo Permit at international gateways	Simplify the process to obtain permit for transporting over-sized project cargo by issuing the permission at international gateways, in particular at the ports, for the complete route. This will enhance and expedite delivery times significantly..	National Highway Authority, Provincial and Regional Road Agencies
Update driving handbook and licenses	Update the syllabus for Heavy Transport Vehicle (HTV) license to cover Defensive Driving Course and Health Safety Security Environment as well. Update the Road Safety Handbook and must highlight use of reflectors and lash cargo in accordance with the pre-defined standards, using tools and equipment for safety of cargo such as belts, chains, ropes and mandatory signs.	National Highways & Motorways Police, Provincial Traffic Police.

Action	Description	Lead Implementor
Implement Road Asset Management	Improve road asset management, through private sector development, in line with best industry practices and contemporary trends.	National Highway Authority, Provincial and Regional Road Agencies.
Enhance Data Collection	Collection, modelling and analysing road transport data and statistics including data related to road asset management and road safety	National Transport Research Centre, Ministry of Planning, Development and Special Initiatives
Improve Fuel quality	Develop and set a programme to improve fuel standards with a view to reach Euro 6 compliant standards. A phased programme, in consultation with the refineries shall be established.	OGRA
Review of import duties on vehicles	The import duty on the Complete Knock Down (CKD) and Completely Built-up Unit (CBU) shall be reviewed to encourage the transport sector.	Federal Board of Revenue
Automate, certify and standardize weigh-bridge	Implement automated and integrated weight-bridge system. • All the weight-bridges should be integrated into a centralized database that can disseminate this information to all the border points. • Certify and standardize weight-bridge system • Link the weight data across National Highway Authority, terminal operators and rail operators, as well as truck operators so that authorities can access the information • Weight bridges have to be installed and ensure that the load transfer between port terminals, rail and trucks are within the weight limit permissible.	Ministry of Communications
Establishment of Warehousing and Cold-storage supply chains	Permit and promote warehousing and cold-storage facilities at strategic locations, to increase the quality of the logistics operations, particularly of the perishable goods and enhance the timeliness of the logistics operations	Ministry of Communications together with private sector associations

5.2. Rail Transport

Action	Description	Lead Implementor
Improve Mainline-1	Upgrade Mainline-1 from Karachi to Peshawar as envisioned under CPEC to increase capacity and speed of the main route across the country.	Ministry of Railways
Develop Havelian Dry Port	Develop Havelian Dry Port to allow for transfer of cargo to rail in Khyber Pakhtunkhwa	Ministry of Railways
Establish Cargo Handling Facilities	Establish cargo handling facilities at strategic locations across the country. In particular, facilities for handling perishable goods will be established to facilitate the cold-storage supply chain.	Ministry of Railways
Transform Pakistan Railways to a commercial entity	Accelerate the transition of Pakistan Railways Freight Transportation Company as a commercial entity. Pakistan Railways need institutional strengthening and improve service delivery. This requires substantial investment in the human resource and technology. See Pakistan Railway Strategic Plan.	Ministry of Railways
Improve feeder lines for coal and bulk freight	The feeder lines to the coal fired power plants shall be established. Pakistan Railways has envisaged the two additional lines between Keamari to Lahore to provide a new railway link that will be capable of transporting freight and coal from Qasim port to the three major power coal fired power plants in Jamshoro, Karam Dad Qureshi (Muzaffargarh) and Qadirabad (Sahiwal). A phase-wise coal logistic and the business plan shall be developed by the Pakistan Railways, in view of the most realistic requirements of the freight and the coal in future.	Ministry of Railways

Action	Description	Lead Implementor
Develop Pipri Marshalling Yard connection to Karachi Port terminals	Extend and upgrade the railway linkages from Pipri Marshalling Yard to Karachi Port terminals, exclusively for freight transport to alleviate the pressure on the road and enhance the accessibility to the port. This will avoid the use of trucks for short distance transfer from port to rail terminal and double handling	Ministry of Railways
Revise the Railways Laws 1890	Revise the Railways Laws 1890 to permit private sector participation in railways terminals, specialized facilities such as silos, bulk storage, loading and unloading equipment, rolling stocks including wagons and locomotives.	Ministry of Railways
Setting market driven rail-freight tariffs	Adopt market-driven rail freight tariffs based on the market dynamics and implement a dynamic Revenue Management System for rail cargo	Ministry of Railways
Extended operating hours	Extend the operating hours of railway stations that have high freight volume for enhanced operations and onward inland distribution, particularly along the Karachi-Lahore route, should be extended to permit the transfer of goods between road and rail.	Ministry of Railways
Connect railways to SEZs and Industrial Parks	Assess the feasibility to connect rail system to SEZs and other industrial parks. Emphasis here is to streamline the first mile and last mile connectivity. Where possible, rail siding will connect rail terminals at Punjab such as Prem Nagar to the industrial parks to reduce the use of trucks.	Ministry of Railways
Railway connectivity to Gwadar	Consider establishing a rail link to Gwadar, once the port and economic zone has sufficient demand. The feasibility study in this regard was done in June 2019. In particular, Gwadar should have a rail link that connects the nearby Special Economic Zones and Industrial/Logistics Parks. Port Qasim deals with commodities and a conveying system that can transfer bulk commodities such as coal to the nearest rail terminal will be useful.	Ministry of Railways

5.3. Maritime Transport

Action	Description	Lead Implementor
Improve warehousing facilities along the Karachi Northern Bypass	Expand the Logistics and warehousing facilities at the Karachi Northern Bypass to cater for storage and handling. To increase the efficiency of seaports operations focusing on berthing and discharge/loading. Storage and handling operations should be relocated to terminals at the Northern Bypass.	Sindh Government, Ministry of Communications
New access road to SAPT	Rehabilitate a new access road to South Asia Port Terminal (SAPT) to relieve the frequent congestion caused by trucks queuing outside Karachi East Wharf and oil tankers parking at Shehreen Jinnah Colony, obstructing trucks moving into SAPT.	Sindh Government
Improve gate accessibility to Karachi Port and Port Qasim	Improving gate accessibility and control to Karachi Port and Port Qasim. To shorten the gate-in and gate-out time, electronic driver and vehicle identification system can be used. Vehicles that are sub-standard should be stopped at the gate. Redesign of the offices can also improve the efficiency of the seaports-road interface. It is recommended that the office that issues temporary permission for drivers/vehicles to remain in the seaport expand the outlets, or increase from the existing 24 hours to a longer time (e.g. 2-3 days). Also, the port charges offices do not operate 24/7. Either the operating hours be extended, or an online submission and electronic payment system be made available to expedite cargo collection. Finally, consider if the number of gates can be increased at the Karachi Port.	Karachi Port Trust; Qasim Port Authority

Action	Description	Lead Implementor
Handling over-sizes and over-weight cargoes	Setup one-stop shop to issue permission for over-sized and over-weight cargoes near the ports. To avoid the need to visit multiple offices and get permission, a one-stop shop centre that can issue such permits to drivers should be established, the road permission to carry Project Cargo on highways should be issued near the port which is the common loading station rather than at the first toll station. For particular over-sized and over-weight cargoes that must be dismantled and shipped separately, and then re-assembled at final destination, should be conducted at external container freight station instead of in the port terminal. The infrastructure specially road connectivity from port to the economic zones and logistics parks must be designed in such a way that oversize project cargo can easily reach at site because there will be Industrial projects; which require heavy equipment including plant and machinery which are always out of gauge over size. Also, the heavy equipment's and require effective and an efficient road infrastructure from port to the project site.	Karachi Port Trust; Qasim Port Authority; Gwadar Port Trust;
Promote multimodal waybills and multimodal transport operators	Promote the use of FIATA Multimodal Waybills to facilitate seaports-road multimodal transport. The FIATA FBL and FWB (negotiable and non-negotiable FIATA Multimodal Transport Bill of Lading) should be promoted. Such documents can reduce two separate documents used separately on road and sea into one document that is internationally recognized. This also requires promoting the concept of a Multimodal Transport Operators (MTO).	Pakistan International Freight Forwarders Association
Reduce congestion inside Karachi Port	Reduce the congestion inside by containers of the ports by streamlining the clearance procedures at the Port • Have a higher number of containers "pre-cleared" by customs based on the track record of the importers • Hold regular auctions to remove aged or unclaimed containers from the seaport terminals or explore cost efficient methods to dispose of such containers • Consider East Wharf and West Wharf as a single setup for customs clearance.	Pakistan Customs
Review the statutes of KPT and PQA	Re-examine the statutes that govern the roles and mandates of KPT and PQA. Roles and mandates of the respective port regulators expanded to include investing in training and upskilling for members of the port community	Ministry of Maritime Affairs
Develop risk assessments	Develop a risk assessment and mitigations measures and recovery procedures to ensure business continuity in the vital Karachi Port and Port Qasim.	Ministry of Maritime Affairs
Improve access to and from Karachi port by investing in multiple modes	Improve the accessibility to Karachi Port by: • Develop dedicated rail-freight corridor to the Port (see 5.2 Railways) • Segregate the intra and the inter-city cargo traffic in Karachi via the existing and new bypasses (Karachi Southern-bypass, Northern Bypass, Karachi Freight Corridor, Lyari Expressway) connecting to N-5, M-9 and M-10. • Consider and expand the access by construct dual-carriageway flyovers where users have to pay a toll for its usage. • Develop barge solutions to alleviate pressure contributed by cargo movements on the roads as a stop-gap measure	Ministry of Planning, Development and Special Initiatives

Action	Description	Lead Implementor
Creation of Dry Port near Ports of Karachi and Qasim	Consider creation of a dry port between Karachi Port and Port Qasim	Ministry of Communications
Second Channel to Port Qasim	Create a second access channel for Port Qasim to enhance capacity of Qasim port and improve operational performance, in particular considering the LNG terminals	Ministry of Maritime Affairs
Increase ship handling capacity	Increase ship-handling capacity catering to larger vessels being deployed by shipping lines	Ministry of Maritime Affairs
Develop long-term Port plans	Develop long-term Port plans on a 30-year horizon considering: • Future terminal concessions should account for operational needs of shipping alliances rather than specific terminal operators or shipping lines • Establishment of new seaport complexes inside and outside of the port areas • Hinterland and maritime connectivity as key drivers	Ministry of Maritime Affairs Ministry of Planning, Development and Special Initiatives
Develop Industries near Gwadar Port	Pursue investment opportunities to drive development of industries that support generation of local cargo for Gwadar Port • Creation of an export-oriented special economic zone adjacent to the seaport • Critical need to generate local cargo to support the seaport on a sustained basis	Gwadar Port Authority Gwadar Development Authority
Review, Ratify and adopt Pakistan Merchant Marine Policy 2001	The objective of the policy is to strengthen the maritime sector, attracting overseas and local operators/investors, as well as enhance the competitiveness of vessel owners, charterers, and operators in Pakistan. Amendments to the Financial Bill 2021 will be required.	Ministry of Communications
Reconstruct Mehran Highway	Reconstruct the Mehran Highway to improve the accessibility to Port Qasim	Sindh Government, National Highway Authority

5.4. Air Transport

Action	Description	Lead Implementor
Develop Aero-Logistics Parks	Develop aero logistics parks inside or adjacent to international airports. These parks will house logistics centres, express and courier sorting centres and other value-added services. Such cargo villages should be connected with other modes of transportation, such as road and railways. The creation of air logistics park or air cargo village adjacent to the airport can facilitate air cargo agents and ground handling companies to handle logistics more efficiently.	Civil Aviation Authority
Develop Cool-ports	Develop ecosystem for handling of perishable goods at the airport, in particular establish 'Cool Ports' including temperature-controlled warehouses that allow storage and rapid handling of time and temperature-sensitive items requiring air transport. Medicine and particular fruits and vegetables may be targeted. The perishables are an important component of the air freight. These perishables offer huge export potential for the country. However, a whole ecosystem has to develop at village level to tap into this potential. The Federal Ministry of Agriculture and Food Security should target ecosystem and supply chain systems for the export of products such as dairy and horticulture produce.	Civil Aviation Authority
Permit Cargo Airlines directly to fly internationally	Permit cargo airlines to fly international routes immediately instead of waiting for at least 12 months.	Civil Aviation Authority / Aviation Division

Action	Description	Lead Implementor
Simplify Transhipment permit	Simplify the procedure for Trans-shipment Permit (TP) at airports.	Federal Board of Revenue
Adopt AS9100 Standard	Adopt the AS 9100 Standard, which is a quality management system for aerospace and aviation and consider targeting the Maintenance, Repair and Overhaul business at airport operated by qualified logistics companies	Civil Aviation Authority
Build Transit Trade Facilities	Build Transit Trade Facilities for e-commerce packets and parcels through Pakistani airports to attract parcels from in particular China. China exports huge number of small e-commerce packets and parcels. If a fraction of those packets is diverted through Pakistan, the Chinese e-commerce exporters will be able to realize substantial savings in both cost and time. Moreover, it will also avert clogging capacity in China, especially during peak seasons. Pakistan Post and other providers can play an important role in diverting Chinese e-commerce business through Pakistan.	Civil Aviation Authority
Enhance Aviation Custom Procedures	Expand single window to involve air cargo regulatory agencies in order to avoid duplication of procedures.	Federal Board of Revenue
Review roles of CAA	Civil Aviation Authority (CAA) is performing the role of an operator, regulator, developer and revenue collector. CAA operates and develops the airports, regulates the airline industry and collects airline related taxes and charges on behalf of the government. Such an arrangement not only creates conflict of interest but also impedes growth of airlines and air freight industry in the country. In order to avoid this arrangement, CAA Airport Services Department should be separated, and airport operator's functions should be performed by private sector. New and existing airports should be considered for public private partnership on build-operate-transfer.	Aviation Division
Improve quality handling agencies	Ensure that registered handling agencies are well-equipped to cater to the cargo needs.	Civil Aviation Authority

5.5. Inland Waterways Transport

Action	Description	Lead Implementers
Develop an IWT Master Plan	Develop an Inland Waterways Transport (IWT) Master Plan • Phase 1: Develop an integrated IWT terminal at Daud Khel to facilitate road-water transport. • Phase 2: Extend IWT from Mianwali to Taunsa • Phase 3: Extend IWT from Taunsa to Sukkur Several hydrological and engineering studies have been performed indicating that IWT is possible with one key determinant – freight volume. Due to the projected large investment, the breakeven volume determines the feasibility. The cost of constructing 1,600km Karachi to Kalabagh channel is estimated to be approximately $4.0 billion phased over 5 to10 years. It is recognized that 146 million acre-feet (MAF) of water in the Indus River, of which near 30MAF flows into the sea, is more than sufficient to sustain an effective inland water transport system. Land acquisition and population displacement is not necessary, and river and canal corridors are already in the government ownership. In terms of infrastructure, development of the IWT along the Indus River has to be done in phases. Attock to Daud Khel (220 km) has already been experimented and proven to be feasible by the former IWTDC. Under the new Phase 1, the IWT should develop an integrated IWT terminal at from Daud Khel in Mianwali, which is a transport hub with roads radiating from four directions, thus facilitating road-water transport. Under Phase 2, the IWT can extend from Mianwali to Taunsa. Once operational, this implies an IWT of 550 km. Next Phase 3 can extend from Taunsa to Sukkur, which is another major transport hub. These three phases will form the trunk inland waterway. Subsequent phases will likely require more financial resources to overcome the low water profile of the river in the Sindh province.	Ministry of Communications
Set up an Inland Waterway Transport Authority	Setup an Inland Waterway Transport Authority to cover all aspects of developing inland water transport and other associated activities such as waterfront land utilization, tourist resorts etc. This authority will have the mandate to develop both passenger and cargo transport. The authority will develop the regulation on cargo on IWT and select the IWT operator. The IWTA will function as the coordinating agency and liaise with the provincial governments.	Ministry of Communications
Appoint a new IWT Development Company	Evaluate and Appoint a new IWT Development Company. Learning from the experiences of IWT Development Company (IWTDC) in Punjab, to select a well-established Pakistan-based logistics operator to be the new IWTDC. A pure commercial firm is not the best fit due to the potential war-time application of IWT and also the expected longer time horizon to make IWT profitable. It should be made clear that IWT has a socio-economic mandate. This IWTDC could be given the sole right to operate the IWT on specific sections and the concessions lasting a definite period of years (e.g. 10 years) to demonstrate the 'proof of concept'.	Inland Waterways Transport Authority
Develop rules and regulations for IWT	Develop federal laws, rules and regulations covering Inland Waterway transport, including the following: • Regulations for the boats and crafts used for cargo transportation. This will specify the dimensions and the technical performance of the assets top operate safely and efficiently on rivers • Develop National Standards on Manufacturing of locally produced ships, in case local production of the boats and barges is considered favourably. • Enforce and managing registration of lease of waterfront lands, waterfront resorts, terminals, shipyards, maintenance depots, etc. • Develop processes to issue and obtain permits and licenses • Cover issues related to Health, Safety and Environment • Develop Training and research centre to cover all aspects of Inland water transportation	Inland Waterways Transport Authority

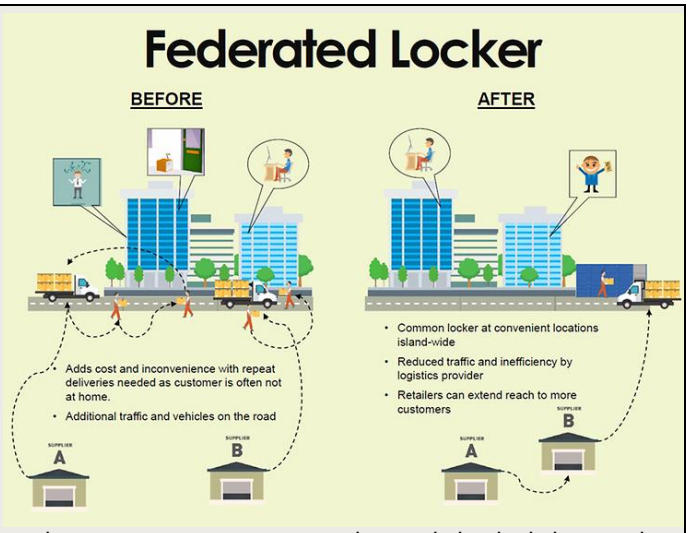
5.6. Urban Transport

Action	Description	Lead Implementor
Establish long term city planning	Establish long-term and an effective land-use zoning and planning. The existing and the future freight movements may be projected and modelled, after which it is incorporated into the land-use and urban planning. • Need an effective coordination of the Transport Department with the Local Governments for the pragmatic and efficient land-use planning and zoning. • Incorporate the freight transport needs into the spatial planning. • Develop properly sited, planned and designed adequate parking space. • Develop properly sited, planned and designed adequate loading and unloading points. • Provide properly planned and designed ramps at the commercial facilities for the materials transfer • Re-examine land use zoning guidelines to distinguish land meant for port activities	Provincial Planning and Development Departments
Delegate and enhance local responsibility for transport planning	Improve and enhance responsibilities for regulating the local transport, and delegate provincial responsibilities to local bodies whilst equipping them with the necessary funds, tools and technologies to help address urban transport. These local bodies should be responsible for preparing a holistic master plan for the city, keeping in view; the anticipated expansion of the city and its future traffic requirements. The Planning and Development, the Housing & Urban Development Department, Local Government Department and the Transport Department have to work in close collaboration.	Provincial Planning and Development Departments, Provincial Local Government
Asses bypass roads and limit heavy traffic in the cities	Carry out traffic studies to bypass roads to avoid long-haul traffic moving through the city centre and need to transit to another destination to avoid stopping in the city causing blockades, traffic jams and congestion. Special attention should be given to the requirements of the heavy transport vehicles (HTV) that have to enter the city to cater to city's commercial and industrial requirements. Facilitate and regulate the access of these vehicles to city centres.	Provincial Transport Departments
Designate loading and unloading areas	Designate loading and unloading areas and impose penalties and increase enforcement on the illegal parking on the road-side. Urban plans have to incorporate proper loading bays, preferably off-streets to avoid obstruction of traffic. In congested areas, the roads/streets can be marked with special symbols to signify loading/unloading spaces and ensuring effective enforcement in this respect. There is a requirement for the international standard road signage / direction signs and markings to indicate the prohibited or permitted locations for the loading and the unloading at the designated places on the streets and roads.	Provincial Transport Departments
Establish Cross dock stations	Establish, cross-dock stations on the outskirts of the cities These stations should be located near strategic well accessible locations to facilitate transfer, collection and repacking of cargo. Also, for the vehicles that need the loading of goods from the HTV for the redistribution, a loading station and area should be reserved in the industrial zone located in the outskirts, including facilities for the construction of distribution centres. HTV can unload the goods or containers, undergo break-bulk in these centres and dispatch the goods to the final destinations, using smaller vehicles or vans.	Provincial Transport Departments.

Action	Description	Lead Implementor
Facilitate night delivery operations	Facilitate the night operations for transfer and movement of cargo • Extend operating hours of the selected rail terminal to allow road-rail transfer of goods • Limit the number of the police-checkpoints to streamline and facilitate night time traffic. • Install street lights at areas where the night operation is likely to happen (e.g. loading and unloading areas). The night operations can be encouraged because this yields two advantages. Firstly, the roads are less congested and the vehicle speeds can be faster. Secondly, it increases the asset utilization for the logistics companies. However, railways stations only operate at day time, but HTV can only enter cities after 8pm (they are prohibited to enter the city during day time to avoid compounding the traffic congestion). So, when the HTV can enter the city, the train stations do not receive nor deliver goods, as they are closed and only a skeletal staff is maintained. As such, trains that carry a large volume of goods will transfer them to numerous small vehicles for inland or onward dispatch, instead of using an HTV for a long haul and higher capacity which is also more economical. Thus, the selected railway stations should operate for the extended hours or even 24 hours over five-day /seven-day periods, so that goods can be transferred to an HTV.	Provincial Transport Departments.
Development of a Self-Collection lockers system	Consider the development of a Self-Collection Lockers system to facilitate smaller e-commerce parcels: • Develop a Concept Note on the Self Collection Lockers system. • Establish the technical standards for the self-collection lockers to ensure inter-operability • Launch the National Lockers Program and pilot in Tier-1 cities and expand nation-wide. • Designating strategically located drop-off and self-collection points can be encouraged These initiatives cannot be undertaken unless Cash on Delivery services are reduced to a minimal level. See also Box 6.	Ministry of Communications
Establishing Freight Quality Partnerships	Set up of specific partnership agreements between shopkeepers, carriers and other stakeholders aimed at improving the efficiency of last mile services. Freight Quality Partnerships aim to bring together both public and private-sector parties involved in freight transport and logistics to discuss problems and identify and implement solutions.	Industry associations
Establishing Urban Consolidation/ Logistics Centres in major cities	Contributes to the reduction of freight traffic circulating within a target area by promoting the consolidation of cargo shipments at one or more urban terminals; • Carriers that would normally make separate trips to the target area with low load factors, transfer their loads to a neutral carrier that consolidates the cargo and manages the last leg of the deliveries; • Shipments are supplied to a strategically located warehouse instead of multiple vehicles making individual direct deliveries to receivers within urban centres; and • Shipments are usually consolidated to maximise vehicle utilisation on the "last mile" and make a reduced number of deliveries at agreed times during the day.	Provincial Governments
Designate HTV Parking Areas and Truck Stops	Support the creation of suitable lorry parking and driver rest facilities in accordance with local and wider needs that may also remove inconvenient parking of HTV vehicles in residential or sensitive areas.	Provincial Governments

Box 6. The Federated Locker

The logistics service providers serving the e-commerce market-places operate the consolidation or the distribution centres. The fleet of trucks or vans collect the goods and drive to the drop-off points. The goods are put in the lockers, or satellite storage facility (shops). The recipient receives a notification and can use the mobile phone and a Quick Response (QR) scan to open the digital lock to collect the items. In this way, the deliveries do not need to go to individual final destinations, which is a wasted trip when the individual is not at home. This concept is already being experimented in some developed and have already conducted trials on this concept, such as "Swipbox" in Denmark or "Federated Locker" in Singapore.



To implement a self-collection lockers initiative, there must be a coordinated effort by the public sector with the participation of the private sector. The government will conduct consultations with the locker operators, merchants, e-commerce companies and the logistics service providers to develop a Concept Paper. Establishment of technical standards for the purpose will be of paramount importance. The technical standards would describe the physical dimensions of the locker, how they can be opened and locked, and the data exchange standard so that logistics service providers can quickly check the availability of lockers in a location; even if the lockers are owned by different locker operators the technical standards are to provide an interoperable system to better manage demand, supply and capacity. The government may National Lockers Program to the pilot locations in high the footfall areas (e.g. post offices and malls) in the Tier-1 cities. Once this program gains traction, the program can be expanded to cover the Tier-2 and the Tier-3 cities. The government may also conduct the feasibility of using the drones for the urban deliveries. As the drones can also be used for the spying and the surveillance activities, so the licenses will have to be issued after the requisite due diligence; the license will be restricted for the logistics applications.

Action	Description	Lead Implementor
Develop designated routes for freight	Develop designated routes for trucks in specified streets to avoid HTV traffic in residential areas. This is supported by the implementation of coordinated route navigation e.g. using ITS systems to optimise the delivery routes and timings. Consider usage of initiatives for the intelligent use of road space, optimised signalling and automation, with a particular focus on the road network within urban centres, including exploring new technologies.	Provincial Governments and Ministry of Communications
Promotion of greener freight in urban areas	Work with the public and private sector to reduce lorry and van movements in urban areas by identifying and developing a series of 'green' projects with a view to preserving the liveability of city centres and reduce the negative externalities produced by freight vehicles in terms of emissions, noise and safety. Options are: • Promotion of low emission delivery vehicles and concepts, by developing restricted zones and operating hours with the exception of clean vehicles • Identify and implement opportunities to encourage accelerated uptake of low emissions vehicles and operational practices. • Address the requirement for alternative fuels infrastructure as part of wide development planning policies. • Explore cleaner alternatives for 'last mile' logistics and courier type services (for example, electric and cycling logistics). • Encourage local freight/logistics operators to adopt cleaner engines including retrofitting equipment that will improve fuel efficiency.	Ministry of Planning, Development and Special Initiatives Provincial Planning and Development Departments

5.7. Rural Transport

Action	Description	Lead implementer
Attract and facilitate rural logistics	Establish a hub-and-spoke mechanism for rural logistics, with prioritized maintenance for the core routes and road-side facilities for loading- and unloading. Smaller warehousing facilities, potentially temperature-controlled, should be considered at those locations that can act as a hub.	Provincial Governments
Establish collection points	Establish collection points at strategic location for collection and repacking of freight in rural areas for bulk transport to the main distribution networks.	Provincial Government
Utilize the Pakistan Post network	Consider utilizing the extensive Pakistan Post network of around 12,000 post offices in the rural areas. This is an asset that can be capitalized upon as the pick-up points in the rural areas of the country. The partnerships with the private enterprises, such as e-commerce logistics firms and other logistics service providers should be encouraged to establish the urban-rural deliveries network. The private enterprises can focus on the urban distribution but outsource the rural deliveries to the Pakistan Post; such an arrangement will help optimise the load balance for the urban-rural deliveries.	Pakistan Post

5.8. Horizontal: Enabling Governance Structure

Action	Description	Lead Implementor
Establish the Pakistan Courier and Logistics Regulatory Authority	Approve the formation of the Pakistan Courier and Logistics Regulatory Authority (PCLRA) and develop the charter for PCLRA • Once established, PCLRA would regulate and standardize the logistics sector. • The leadership in PCLRA will develop the charter for the authority and develop industry regulations on the courier and logistics industry, covering areas such as facilitation of logistics industry, safeguarding industry operators and service providers' interests, inculcating efficiency in the logistics system through process and regulatory interventions and drafting rules, regulations and standards for the industry. • Carefully draft its rules with a view to promoting e-commerce and e-logistics and to establish stability, transparency and standardisation in the system in consultation with all players, such as e-commerce portals, electronic retailers, courier operators etc. • Select the Board of Directors of PCLRA and appoint the key office bearer (e.g. Chairperson, Director General) and establish PCLRA Fund • Amend the Rules of Business to cover the role of the Pakistan Courier and Logistics Regulatory Authority, covering the Charter and oversight of the logistics industry.	Ministry of Communications
Develop the Logistics Industry Transformation Plan	Develop the Logistics Industry Transformation Plan in consultation with the public sector and the business community. The plan provides a development strategy that covers the areas described in this policy and other sector-specific incentives, such organization of awareness, promotion and business-to-business activities for Pakistan logistics companies within the country and in overseas destinations. The Transformation Plan will further operationalize the actions described in this policy.	PCLRA
Continue and prioritize the development of Pakistan Single Window and simplify the Customs clearance procedures	Implement and prioritize the development of the Pakistan Single Window. In process of adopting the Pakistan Single Window, streamline the processes covering the customs clearance procedures, including the statutory regulatory orders (SRO's) and rationalize the tax structures accompanying those.	Federal Board of Revenue

Action	Description	Lead Implementor
Promote REIT for financing infrastructure	Encourage multiple channels of private-sector investment fund particularly the application of Real Estate Investment Trust (REIT) to finance logistics infrastructure, particularly of warehousing.	Ministry of Commerce
Computerize Land Registry	Land registry shall computerize all records of ownership titles to support land acquisitions and transfer.	Provincial Board of Revenue Departments.
Review the withholding tax on gross turnover of freight forwarders	Review the inadvertent consequences from the withholding tax on gross turnover of freight forwarders. The gross turnover contains 'pass-through' charges.	Federal Board of Revenue
Continue the improvement for registration of new business	Continue the improvement processes to facilitate registration of new business, including the harmonization of the tax number identification	Federal Board of Revenue
Preferential financing for logistics companies	Seek to promote and offer preferential loan and financing to logistics companies. Logistics is to be recognized as a qualified 'industry' that is entitled to business loans at preferential interests. This will stimulate greater private-sector ability to invest and reinvest in the industry.	Ministry of Commerce
Accept insurance guarantees as customs guarantee	Consider recognizing and accepting Insurance Guarantees as a customs guarantee in lieu of bank guarantees. The approval for use of insurance guarantees can be made conditional based on history and track record of the respective logistics operators.	Federal Board of Revenue
Publish schedule of fees	Publish Schedule of Fees and Issue Receipts to Combat Corruption. An official schedule of fees and tariffs for different charges and fees that are payable by logistics service providers should be published and made easily accessible so that the information is transparent.	Pakistan Courier and Logistics Regulatory Authority
Align and develop logistics statistics	Align and develop the logistics statistics concerning all relevant aspects of logistics. This will be incorporated in the National Transport Data Observatory and support public and private sector in decision making. The statistics will cover the modal share, vehicle fleet, freight tonnage carried by transport mode (%), service frequency, origin destination, turn around and clearance times, time and distance, reliability and costs of travel, export/import by good and location, etc.	Ministry of Communications / Pakistan Bureau of Statistics

5.9. Horizontal: E-Logistics

Action	Description	Lead Implementor
Promote supply chain management and automation technology	Promote supply chain management and automation technologies such as innovative robotic sorting solutions, automated sorting systems, Radio Frequency Identification Devices (RFID) Tags that incorporate data analysis, cloud computing, intelligent terminals and image processing technologies in order to shorten delivery time. Automation is essential to efficiently process bigger volumes. Tax incentives may be considered as labour cost is low in Pakistan, so the industry has little incentive to automate systems with current tax regime.	Federal Board of Revenue
Equal status for electronic documents	Amend laws and procedures to give electronic documents the same status as signed, physical documents.	Ministry of Law & Justice

Action	Description	Lead Implementor
Reduce cash on delivery	Promote and offer incentives to customers that do not use cash on delivery • Innovative modes of payment such as prepaid debit/credit cards and mobile and electronic wallets should be incentivised. Conventional products such as debit and credit cards may be of limited use because of weak financial inclusion in the country. • Card Not Present transactions may be used as alternative arrangement but comprehensive deliberation is essential in this regard because their high risk may outweigh the benefits. • Banks will have to enable the innovative modes of payment and the electronic retailers will have to offer sales promotions for the customers who do not opt for Cash on Delivery	E-retailing and logistics operators
Promote nation-wide operations	Promote an equal nation-wide operation to ensure operators cover the whole of the country. E-logistics operators need to keep pace with current growth in e-commerce activity; they need to reconfigure existing infrastructure and invest in the new one in order to target new geographic markets; currently, the demand for e-logistics is reaching to geographic areas where e-logistics operators do not operate.	E-Logistics Operators
Facilitate reverse logistics	Facilitate in the rules and regulations the reverse logistics. Reverse e-logistics need to be established in order to facilitate customers for returns, warranties and guarantees.	E-Logistics Operators
Establish Delivery Networks for E-Commerce Goods	Establishing Delivery Networks for E-Commerce Goods: Promote developing networks of “pick up and drop off points”, where the receiver can choose to have e-commerce deliveries made to a convenient location, such as at convenience stores. The rapid growth of internet trading has encouraged an expansion in ‘white van’ delivery services that add to local traffic volumes that are often inefficient in terms of the goods they carry (individual deliveries of very light packets). The private sector is beginning to identify solutions to this dilemma.	E-Logistics Operators

5.10. Horizontal: Transit Trade Facilitation

Action	Description	Lead Implementor
Develop the Authorized Economic Operator	Develop the Authorized Economic Operators (AEO) system in Pakistan. This needs to be encouraged and will strongly facilitate business. Furthermore, the AEO system has an additional value, if the list of qualified operators is also exchanged with the neighbouring countries and/or key trading partners. Mutual recognition of the AEO can reduce the time and cost of cross-border trade for all modes of transport.	Federal Board of Revenue
Adoption of smart seals	Consider adoption of smart seals with integrated GPS/GIS to monitor transit movements. The use of the intelligent technologies, such as smart seals allow customs to ensure the goods remain in the truck compartment and allows real-time monitoring of the truck journey. If the truck deviates from the permitted route, the system is integrated with a Geographical Information System that alerts the customs officers.	Federal Board of Revenue
Exchange custom data with Afghanistan	Conduct bilateral exchange of custom data with Afghanistan to enable risk-based assessment of transit trade. The transit goods have to be carried in a bonded manner. To do this more effectively, information is important. Customs administrations from trading countries should exchange bilateral data so that relevant authorities can monitor the flow of goods and analyse trends to identify any suspicious activities. This also paves the way for pre-arrival declaration of goods, giving customs officials more time to conduct risk-based assessments instead of initiating customs controls only when the truck arrives at the border.	Federal Board of Revenue
Assess the Passage du Carnet system for temporary admission of vehicles	Examine the feasibility of adopting Passage du Carnet system for temporary admission of commercial vehicles. A common concern is that the freight and sometimes even vehicles declared for transit are sold inside Pakistan. To address this, the Carnet du Passage system can be considered. This international customs document simplifies temporary admission of commercial vehicles. The Afghan Ministry of Transport is also considering this system.	Ministry of Communications / Federal Board of Revenue

Action	Description	Lead Implementor
Adopt a temporary road pass quota system facilitating transit rights	Adopt a road pass quota system for limited rights for both Afghan and Pakistan operators to reduce transloading of goods at border between vehicles in the absence of a complete APTTA agreement. This means granting a limited number of road pass to qualified Afghan operators (e.g. TIR Holders) to deliver goods to the Wagah border, while it is requested that Afghanistan grants limited rights to Pakistan operators to Shirkhan Bandar. This can reduce the number of transloading of goods.	Ministry of Communications
Modernize border crossing points	Modernize border crossing points, in continuation of the existing ADB project to modernize the border crossing, with a view to focus on transit goods. • Consider expanding and developing Ghulam Khan border crossing point, focussed on transit trade as an alternative to Torkham. • Implement TIR parks and smart gate system to ease the congestion at Torkham, and replicate this to other BCPs if successful • General considerations for all major boarding crossing points: o Segregate cargo and passenger traffic at border, o Using truck scanners to conduct inspection, instead of frequent physical loading and unloading, o Institute Smart Gates and TIR system to notify drivers only when their queue is up, so that they can park the trucks at proper truck parking space away but near to BCPs, o Harmonize the BCP operation hours with neighbouring countries o Reduce the number of police checkpoints between the two BCPs that slows down the traffic but conduct surveillance with the CCTVs and perimeter fencing o Create Green Lanes for the movement of perishables, or allow this for the TIR trucks at the minimal so that the TIR operators can cross with minimal hindrances	Federal Board of Revenue
Install Truck scanners at border crossing points	Install and operate truck scanners at border crossing points to examine compartment contents without the need for full physical examination. The principle here is to adopt risk-based management and a greater application of non-intrusive technologies to allow tax and customs officers to conduct their duties yet create less friction in the transit movement.	Federal Board of Revenue
Incentivize transit trade at Gwadar	Incentivize transit trade at Gwadar so that it can attract cargo and operators, • Designate Gwadar seaport special status as the gateway for Central Asian transit trade • Construct and operate bonded bulk storage and handling facilities in Gwadar seaport and Special Economic Zone • Reduce time to obtain a trans-shipment permit by simplifying the procedures, particularly for multimodal shipments • Amend WeBoC to be able to handle the multimodal shipments. • Consider to extend simplified transit regime to the Central Asian Republics. Currently, the seaport already has favourable financial incentives such as 3 months free storage period. • Commission a Feasibility Study on 'Gwadar+4' Air Hop Strategy with Central Asian Republics, within a 4 hours flight radius, an aircraft can leave Gwadar and arrive at the capital cities of the Central Asian Republics. This air hop would overcome the cumbersome road transportation problem. By working a through air-sea freight rate, Gwadar can attract goods from the Central Asian Republics to use the air freight to Gwadar, and then re-export to the other international destinations. This strategy can be implemented in the short term and focuses on the high value horticultural products (e.g. cherries, saffron) from the Central Asia There is a window of opportunity now due to the international sanctions against Iran; international shippers are reluctant to use the Iranian seaports. Dubai seaports are more costly and the business environment remains tough there. This is the right opportunity for Pakistan to close the gap with the regional competitors and attract traffic to Gwadar, including the transit business.	Ministry of Commerce / Ministry of Planning, Development and Special Initiatives

Action	Description	Lead Implementor
Improve clearance procedures	Improve clearance procedures and release of trucks and cargoes within 24 hours from the Ports and Border operations • Issue a Directive to release all trucks/cargoes within 24 hours • Establish a pre-clearance system is setup in Pakistan, to release all pre-cleared trucks/cargoes within 2 hours. • In the long term, all shipments should be cleared within 2 hours for instance, if they meet certain conditions. • Establish a watchdog to evaluate and monitor the clearance and cargo release time issued in Prime Minister's Directive	Prime Minister's Office
Through fare for road-rail service to Central Asian Republics	Provide a through-fare service for road-rail service connecting Gwadar and Karachi and Central Asian Republics (one fare for multimodal shipment) to facilitate bulk commodities from Central Asian Republics. This includes key export products cotton and aluminium from Tajikistan and Uzbekistan and minerals and energy items exports from Kazakhstan and Turkmenistan.	Ministry of Railways / Pakistan Railways
Continue simplifying visa application	Continue simplifying visa application procedures and consider reduce Visa Fees for transit trade.	Ministry of Foreign Affairs

5.11. Horizontal: International Conventions, Standards and Agreements

Action	Description	Lead Implementor
Revive APTTA	Revive Afghanistan Pakistan Transit Trade Agreement (APTTA, 2010) to facilitate trade with Central Asian Republics and minimize trans-loadings, particularly from Jalalabad and Shirkhan Bandar border.	Ministry of Commerce
Accede to several international Maritime Protocols	Review and consider accession to following International Maritime Organization Conventions and Protocols: • Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, as amended (MARPOL PROT 1997) • International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (BOPD 2001) • International Convention on the Control of Harmful Antifouling Systems on Ships, 2001 (AFS 2001) • International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (SBWS 2004) • International Convention on Facilitation of International Maritime Traffic, 1965 as amended (FAL – 1965)	Ministry of Maritime Affairs
Accede to several customs conventions	Review and consider accession to following Customs Conventions: • Customs Convention on Temporary Importation of Commercial Road Vehicles (1956) • Customs Convention on Containers (1972) • International Convention on the Harmonization of Frontier Control of Goods (1982)	Federal Board of Revenue
Revisit TIR rules and regulations	Revisit TIR rules and regulations taking into account current practice and amend the rules to incorporate any lessons learned from the first years of operations and adoption of CMR convention.	Federal Board of Revenue

Action	Description	Lead Implementor
Implement CMR Convention	Implement CMR Convention • Enactment of International Carriage of Goods by Road Bill, 2019 to implement CMR acceded by Government of Pakistan • Arrange issue of standardized CMR Waybill for use by road transporters of Pakistan. • Arrange issue of CMR cargo insurance policy • Arrange issue of third-party liability insurance for foreign vehicles • Establish structure of Transit Fee for foreign vehicles transiting Pakistan • Organize a 'Caravan' to pilot transit transportation:	Ministry of Communications
Revise the domestic carriage act	Review and enact the Carriage of Goods by Road Bill, 2013 by all Provincial Assemblies to regulate the domestic carriage of goods by road and replace the Carriers Act, 1865. It is necessary for the same bill to be enacted by all the provinces to maintain uniformity of domestic road transport legislation throughout the country.	Provincial Governments
Consider accession to ADR	Consider and assess the feasibility to accede to the International Carriage of Dangerous Goods by Road (ADR) convention. This convention is to ensure safety in the transportation of chemicals, gases and hazardous materials, components, radioactive materials. Reviews of existing federal legislation, such as OGRA dangerous goods rules, and the Dangerous Cargoes Act, 1953, may provide some insight into Pakistan's preparedness to incorporate this major international convention.	Ministry of Communications
Publish list of acceded conventions	Publish the list of acceded conventions, standards and bilateral/multilateral agreements on a public website of the Government	Ministry of Foreign Affairs

5.12. Horizontal: Information Technology

Action	Description	Lead Implementor
Promote Electronic Data Interchange	Facilitate and define an incentive structure to implement Electronic Data Interchange (EDI) to allow for improved track and trace, reliability and predictability of shipments. This also enables Just in Time shipments. The role of the Pakistan Single Window and WeBoC can support this facility. Consider establishment of national EDI guidelines.	Federal Board of Revenue
Promote the use of blockchain	Promote and seek innovation with the usage of Blockchain in Freight and Logistics industry. The blockchain can help significantly reduce cash realization cycle, cut transaction and administrative costs, increase LCL inefficiency by better consolidation of cargo and decreasing empty and partial loads, decrease temperature variation in cold-chain logistics and help track the cargo. • Blockchain can be applied to trade finance. There are multiple parties such as shippers, carriers, regulators, banks, insurance companies, importers etc, and a multitude of documents such as commercial invoice and shipping documents. The use of Blockchain in trade finance can greatly enhance the efficiency of supply chain finance. • Blockchain can be used in the food supply chain. As consumers become increasingly sophisticated, they need to know the origin of the production, the processes from 'farm to fork' which will provide transparency of the entire supply chain. • Blockchain can be applied to land registry for titles, enables the title of the land to be recorded on a transparent basis that remains free from any tampering.	Ministry of Communications
Artificial Intelligence for pre-Clearance	Consider use of Artificial Intelligence for pre-clearance of shipments by Customs and other Border Control Agencies. This can enhance the quality of the checking and determination for the green or red channel.	Federal Board of Revenue

Action	Description	Lead Implementor
Develop multimodal logistics in WeBoC	Improvement in WeBoC to enable it to process multimodal shipments, in particular in line with the TIR convention	Federal Board of Revenue
Stimulate innovation by launching a LogTech fund	Stimulate innovation by considering launching a LogTech fund jointly with private sector associations to promote the adoption of EDI, ERP, Logistics Information Systems, Blockchain, Artificial Intelligence, Cloud Computing, etc. to process and facilitate logistics supply chain and accompanying transactions. • Establish the selection criteria • Describe the application procedure • Define the list of technologies to be supported • List the financial support mechanisms (e.g. tax credit) In addition, the government shall also explore a grant or subsidy program to promote logistics information systems such as warehouse management system, transport management system and freight management system. The self-sustaining LogTech may be developed. The LogTech fund will establish the selection criteria, application procedure and the list of approved technologies. The financial support mechanism includes co-financing, low interest long term loans or tax credits.	Ministry of Communications

5.13. Horizontal: Capacity Building

Action	Description	Lead Implementor
Designate NAVTTC for Logistics Capacity Building	Designate National Vocational & Technical Training Commission (NAVTTC) as the apex agency for logistics capacity building. In terms of Accreditation, Certification and Standards, the NAVTTC shall be the primary organisation to serve as the regulatory authority on capacity building matters. Include setting up a Freight and Logistics Advisory Council to advise NAVTTC on the industry matters related on capacity building. It is necessary for the business practitioners to provide technical guidance and inputs to NAVTTC on capacity building matters. Membership will comprise private sector business leaders and office-bearers of transport and logistics associations.	Ministry of Federal Education and Professional Training
Conduct a Training Needs Assessment	Conduct a national Training Needs Analysis on Logistics Industry. NAVTTC with the advice of Advisory Council, shall embark on a national training needs assessment focusing on the freight and logistics industry. The training needs assessment identifies existing and new skills required by the industry, including existing courses in the market, identification of the gaps and issues related to capacity building needs Repeated surveys can be considered to be conducted in all provinces and territories to collect up-to-date data on the logistics industry. The aggregated survey findings could then be published and served as a reference point to inform future policy making.	National Vocational & Technical Training Commission
Develop the National Vocational Qualification Framework	Develop the National Vocational Qualification Framework for Logistics. Core skills in the field will be defined and related training will be designed and imparted (e.g. procurement, inventory management, transportation, distribution, warehousing, freight forwarding etc). Each core skill has a list of unit of competencies that defines a specific skill or know-how. The logistics National Vocational Qualification Framework can then serve as a reference model for launching new courses, or assessing individual logistics expertise in interviews, examinations or career progression.	National Vocational & Technical Training Commission
Establish Accredited Training Organizations	Award Accredited Training Organization to those organizations that meet the quality standards and deliver the capacity building programs. NAVTTC can designate Accredited Training Organizations where the courses qualify for government grants or incentives.	National Vocational & Technical Training Commission

Action	Description	Lead Implementor
Design and Setup a training development fund	Design and Setup a Training Development Fund to support capacity building. This can be done in various ways such as (1) Direct subsidies to accredited training organizations for qualified courses, (2) Logistics Scholarships and Book Prizes, (3) Tax credit to companies.	National Vocational & Technical Training Commission
Support set up Centres of Excellence	Support Centres of Excellence in Universities to strengthen industry-academia linkages to attract talent to the industry and can serve as a platform to connect industry and academic institutions in each province. For example, Bahria University with its association to National Institute of Maritime Affairs can serve as the centre of excellence for seaports and international shipping. Fostering international partnerships and linkages with reputable universities and colleges is also beneficial.	Ministry of Federal Education and Professional Training
Attract professionals	Attracting professionals, outside of logistics, to enter the logistics industry by launching a Strategic Manpower Conversion Program (SMCP) to deliver future work and drive innovation. The SMCP is providing a strategic training programme. NAVTTC, accredited training organizations and the centres of excellence can perform job match-making. These candidates undergo an introductory conversion course by accredited training organization and then work part-time at an assigned logistics company. Upon completion of the conversion program, the company and individual discuss options to continue employment with the company.	National Vocational & Technical Training Commission
Capacity building for Government staff	Conduct capacity building for government staff working in Ministries and Authorities related to logistics. The capacity building programs related to Freight and Logistics should be facilitated by relevant Government Ministries and Department dealing with Freight and Logistics both at Federal and provincial level, highways and Motorway personnel along with Trade bodies and associations.	National Vocational & Technical Training Commission
Expand and develop courses for handling dangerous goods	Expand and develop courses to cover transport of dangerous goods via all modes of transport. Consider the existing training and certification for Handling of Dangerous Goods by Air that is available in Pakistan. In addition, to the Defensive Driving course, Vocational training should be made mandatory for drivers training on Health Safety Security & Environment (HSSE) Inspection with elementary first aid to cater Occupational Health and Safety which is major requirement of Industrial sector.	National Vocational & Technical Training Commission
Improve and enhance driver training	Improve and enhance the driver training in line with the driver licensing guidelines and adopt this within the various governments and the private vocational training institutes in order to inculcate professionalism and promote employment generation.	Ministry of Communications
Update driving handbook and licenses	Update the syllabus for Heavy Transport Vehicle (HTV) license to cover Defensive Driving Course and Health Safety Security Environment as well. Update the Road Safety Handbook and must highlight use of reflectors and lash cargo in accordance with the pre-defined standards, using tools and equipment for safety of cargo such as belts, chains, ropes and mandatory signs.	National Highways & Motorways Police, Provincial Traffic Police.

6. Implementation, Monitoring and Evaluation

The Ministry of Communications is vested with the responsibility to act as the secretariat of the NFLP to track the implementation progress. The NFLP Steering Committee and the Working Group, with representation across the Federal and Provincial Governments and Industry, will act as the main discussion forum to monitor progress and review the progress and developments of NFLP and provide advice and guidance if necessary. In progressing the NFLP, it will be considered as reporting progress towards achieving the National Transport Policy 2018.

Since logistics is a cross-cutting mode, it will invariably influence and be influenced by the multiple stakeholders, both in the public and the private sectors. The implementation of the actions shall be done in a consultative manner, including all relevant stakeholders. These include, but are not limited to:

- Public sector includes all ministries, authorities, departments, agencies, commissions and centres at both Federal and Provincial level.
- Private sector, including the associations, chambers, co-operatives and targeted private enterprises.
- Non-government and development organizations that provide technical and financial assistance
- Academia

The Ministry of Communications shall provide a six-month progress update to all concerned stakeholders confirming the status of actions, revisions required, and further steps achieved. The progress towards achieving the objectives and targets shall be measured utilizing the Logistics Performance Indicators of the World Bank and the CAREC Corridor Performance Measurement and Monitoring Data. In addition, the statistics published by the to be established National Transport Data Observatory and Pakistan Bureau of Statistics, with additional studies carried out will be used to monitor specific progress.

The Ministry of Communications, in consultation with the stakeholders, may revise and amend the NFLP from time to time to reflect new priorities and insights in the logistics sector.

Annex A. Implementation Matrix

A.1. Road Transport

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Revise Trucking Policy	Review and revise the Trucking Policy 2007 with a view to provide effective actions to develop, operate and maintain a modern vehicle fleet in Pakistan	Ministry of Industries and Production and Ministry of Communications	Ministry of Commerce, National Highway Authority, National Transport Research Centre, Industry Associations	Trucking Policy 2020 to be approved by Cabinet	2020
Establish a Truck Renewal Programme	Develop in consultation with the Industry a truck fleet renewal programme to modernize the fleet in line with international standards by providing incentives to the Industry for modern vehicles and setting a sunset clause for older vehicles.	Ministry of Industries and Production and Ministry of Communications	Ministry of Commerce, National Highway Authority, National Transport Research Centre, Industry Associations	Vehicle Fleet Renewal Programme implemented	2020 (design) 2024 (completed)
Adopt WP29	Endorse the adoption of WP29 and notify the stakeholders	Pakistan Standards and Quality Regulatory Authority	Ministry of Communications, Ministry of Industries and Production, National Highway Authority, National Transport Research Centre, Engineering Development Board	WP29 adopted	2020
Recognize semi-trailers as transport vehicle	Setup independent registry for semi-trailer and classify them as transport vehicle.	Ministry of Communications	Ministry of Industries and Production, Pakistan Standards and Quality Control Authority, National Transport Research Centre, Provincial Governments	Semi-trailers recognized as transport vehicle	2021
Update and harmonize legislation	Adopt and implement model Road Safety Act, which updates Provincial Motor Vehicle Ordinance 1965, across all provinces and territories, with a view to cover all types of vehicles, and harmonize rules, procedures and the safety standards applicable to ensure roadworthiness and safe transportation to avoid accidents and unnecessary road maintenance. This will include the latest road safety act and define vehicle age limits and vehicle fitness requirements, decommissioning of over-aged vehicles, registration of prime mover, as well as chassis and tank lorry, specify the registration procedure for non-standard	Ministry of Communications and Provincial Transport Departments	National Highway Authority, National Highways and Motorways Police, National Transport Research Centre; Pakistan Standards and Quality Control Authority; Provincial and Regional Road Agencies	Updated Provincial Motor Vehicle Ordinance 1965 Section 42	2021

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
	delivery/transport vehicles, and harmonize weigh limits. This should use international standards and benchmarking with International Road Union (IRU) in order to let the Pakistani trucks smoothly transit in neighbouring countries.				
Enforce drivers' registration and training	Enforce Drivers' Registration, in line with the Driver Licensing Guidelines from Ministry of Communications, where drivers' training and licensing documents be in both English, Urdu and provincial languages, if needed.	Provincial Traffic Police	Ministry of Communications; Provincial Transport Departments; Industry Associations	Drivers' Registration Procedure	2020
Revise and enhance regulation of tyre and lubricants	Revise and enhance the regulation of the tyre and lubricants used for cargo transport, utilizing Section 74 of Provincial Motor Vehicle Ordinance 1965 This will include disposal of disposal of used tyre and lubricants, along with the spare parts to avoid reuse and the environmental hazards.	Ministry of Communications, Provincial Transport Departments	National Transport Research Centre, Industry Associations; Provincial and Regional Road Agencies;	Updated Provincial Motor Vehicle Ordinance 1965, Section 74	2020
Improve, Licensing and regulation of Heavy Transport Vehicle	Improve the licensing procedure for the Heavy Transport Vehicle (HTV) in line with the guidelines for vehicle licensing and enforce vehicle manufacturing standards.	Provincial Traffic Police, National Highways & Motorways Police, Provincial Transport Departments	National Highway Authority, Industry Associations	Criteria outlined for licensing procedure for Heavy Transport Vehicle	2020
Enforcement of axle load regime	Re-enforce the axle load regime but offering necessary transition period before a rigid enforcement. GoP may: • Conduct more consultations with major users of road freight (e.g. cement, sugar, fertilizers) on the transition time to full implementation of axle load regime • Publish transition lead times and the formal implementation date after taking into consideration all the inputs of stakeholders • Define the set of penalties for violations after the implementation date. • Develop alternative transport solutions for areas that do not have alternative mode of transport	Ministry of Communications	Ministry of Commerce, National Highway Authority, National Transport Research Centre, Provincial Transport Departments, Provincial Traffic Police; Provincial and Regional Road Agencies; Industry Associations;	Axle Load Regime implemented	2021
Permit bonded warehouse facility	Permit bonded warehouse facility for imported vehicles, prime movers and trailers to encourage international trade	Federal Board of Revenue	Ministry of Communications, Ministry of Commerce, Ministry of Industries and Production	Bonded Warehouses	2021

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
for imported vehicles					
Set Vehicle standards	Enforce and enhance national regulations for Manufacturing and Assessment of locally produced transport vehicles, chassis and trailers. These standards are important to ensure the road-safety. In addition, it is also imperative to enforce the inspections to certify the road worthiness of the vehicle, chassis and trailers before commissioning operations on the road.	Pakistan Standards and Quality Control Authority	Ministry of Communications, Ministry of Commerce, National Highway Authority, National Transport Research Centre, Engineering Development Board, Ministry of Industries and Production	National Regulations notified and standards set	2021
Define Liabilities for road freight	For domestic transport, define liabilities for road freight in case of loss, damage or delay during road transport. For the international transport, the CMR Convention implementation will help address the issue because it amply defines the liabilities.	Ministry of Communications	National Highway Authority, National Transport Research Centre, Provincial Transport Departments, Industry Associations	National Limit Liabilities Regulation for Road Carriers CMR Road-Map	2020
Develop National Road Consignment Note	Define, enforce and promote national Road Consignment Note for domestic shipment where details of liability and responsibility of the carrier and the shipper should be defined along with the compensation in case of loss, damage of delay. Preferably these Road Consignment Note may be aligned with the CMR (International Road Convention). This will replace the different formats of 'bilty'.	Ministry of Communications	Provincial Transport Departments, National Transport Research Centre	Road Consignment Note	2020
Develop Road-side infrastructure	Construct a national network of the road-side amenities to offer proper resting place for the long-haul drivers, particularly in places like Baluchistan and at key junctions such as Sibi and Speizend where such amenities are lacking, with the consideration to encourage private investment to construct and operate the amenities after procurement by government, These can support the trade routes with the region	National Highway Authority, Provincial and Regional Road Agencies	Ministry of Communications, Provincial Transport Departments	TIR Parks and road side amenities for long-haul road transport	2022
Issue Project-Cargo Permit at international gateways	Simplify the process to obtain permit for transporting over-sized project cargo by issuing the permission at international gateways, in particular at the ports, for the complete route. This will enhance and expedite delivery times significantly, rather than current practice with vehicles on standby for days.	National Highway Authority, Provincial and Regional Road Agencies	Ministry of Communications, Karachi Port Trust, Qasim Port Authority, Gwadar Port Authority	Simplified Permit Procedure	2021

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Implement Road Asset Management	Improve road asset management, through private sector development, in line with best industry practices and contemporary trends.	National Highway Authority, Provincial and Regional Road Agencies	Ministry of Planning, Development and Special Initiatives, Provincial Planning and Development Departments	Trial Managing Agency Contracts carried out	2021
Enhance Data Collection	Collection, modelling and analysing road transport data and statistics including data related to road asset management and road safety	National Transport Research Centre, Ministry of Planning, Development and Special Initiatives	Provincial Governments, Pakistan Bureau of Statistics	Available statistics online	2021
Improve Fuel quality	Develop and set a programme to improve fuel standards with a view to reach Euro 6 compliant standards. A phased programme, in consultation with the refineries shall be established.	OGRA	Ministry of Communications, Ministry of Industries and Production, Ministry of Petroleum, Ministry of Climate Change / Environment Agency, Provincial Environment Departments / Agencies.	Euro 6 standard adopted	2025
Review of import duties on vehicles	The import duty on the Complete Knock Down (CKD) and Completely Built-up Unit (CBU) shall be reviewed to encourage the transport sector.	Federal Board of Revenue	Ministry of Industries and Production, Ministry of Commerce Exporters/Importers, Local manufacturers	Reviewed duties	2021
Automate, certify and standardize weigh-bridge	Implement automated and integrated weight-bridge system. • All the weight-bridges should be integrated into a centralized database that can disseminate this information to all the border points. • Certify and standardize weight-bridge system • Link the weight data across National Highway Authority, terminal operators and rail operators, as well as truck operators so that authorities can access the information • Weight bridges have to be installed and ensure that the load transfer between port terminals, rail and trucks are within the weight limit permissible.	Ministry of Communications	Ministry of Maritime Affairs, Ministry of Railways, National Highway Authority, Provincial Governments, Port Authorities	Automatic and linked weighbridges	2022
Establishment of Warehousing and Cold-storage supply chains	Permit and promote warehousing and cold-storage facilities at strategic locations, to increase the quality of the logistics operations, particularly of the perishable goods and enhance the timeliness of the logistics operations	Ministry of Communications	Industry Associations and Provincial Governments	Number of warehouses in the country	2024

A.2. Rail Transport

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Improve Mainline-1	Upgrade Mainline-1 from Karachi to Peshawar as envisioned under CPEC to increase capacity and speed of the main route across the country.	Ministry of Railways	Ministry of Planning Development & Reform, Ministry of Finance, Ministry of Law & Justice.	Higher Freight & Passenger Traffic Volumes and more efficient movement of freight	2024
Develop Havelian Dry Port	Develop Havelian Dry Port to allow for transfer of cargo to rail in Khyber Pakhtunkhwa	Ministry of Railways	Ministry of Communications, Ministry of Planning, Development and Special Initiatives	Dry Port operational	2024
Establish Cargo Handling Facilities	Establish cargo handling facilities at strategic locations across the country. In particular, facilities for handling perishable goods will be established to facilitate the cold-storage supply chain.	Ministry of Railways	Ministry of Communications	Cargo handling available at critical locations	2022
Transform Pakistan Railways to a commercial entity	Accelerate the transition of Pakistan Railways Freight Transportation Company as a commercial entity. Pakistan Railways need institutional strengthening and improve service delivery. This requires substantial investment in the human resource and technology. See Pakistan Railway Strategic Plan.	Ministry of Railways	Ministry of Finance, Ministry of Law & Justice. Ministry of Planning Development and Reform.	PRFTC formally incorporated	2024
Improve feeder lines for coal and bulk freight	The feeder lines to the coal fired power plants shall be established. Pakistan Railways has envisaged the two additional lines between Keamari to Lahore to provide a new railway link that will be capable of transporting freight and coal from Qasim port to the three major power coal fired power plants in Jamshoro, Karam Dad Qureshi (Muzaffargarh) and Qadirabad (Sahiwal). A phase-wise coal logistic and the business plan shall be developed by the Pakistan Railways, in view of the most realistic requirements of the freight and the coal in future.	Ministry of Railways	Sindh Government	Coal moved by rail	2021
Develop Pipri Marshalling Yard connection to Karachi Port terminals	Extend and upgrade the railway linkages from Pipri Marshalling Yard to Karachi Port terminals, exclusively for freight transport to alleviate the pressure on the road and enhance the accessibility to the port. This will avoid the use of trucks for short distance transfer from port to rail terminal and double handling	Ministry of Railways	Ministry of Maritime Affairs, Sindh Government, Ministry of Planning, Development and Special Initiatives	Cargo moved by rail to Pipri from Karachi Port terminals	2025
Revise the Railways Laws 1890	Revise the Railways Laws 1890 to permit private sector participation in railways terminals, specialized facilities such as silos, bulk storage, loading and unloading equipment, rolling stocks including wagons and locomotives.	Ministry of Railways	Pakistan Railways, Ministry of Communications, Ministry of Industries and Production, Ministry of Commerce, Ministry of Planning, Development and Special Initiatives	Revised Railways Laws 2020	2020

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Setting market driven rail-freight tariffs	Adopt market-driven rail freight tariffs based on the market dynamics and implement a dynamic Revenue Management System for rail cargo	Ministry of Railways	Industry Associations	Dynamic rates implemented	2021
Extended operating hours	Extend the operating hours of railway stations that have high freight volume for enhanced operations and onward inland distribution, particularly along the Karachi-Lahore route, should be extended to permit the transfer of goods between road and rail.	Pakistan Railways	Ministry of Railways, Ministry of Communications, Ministry of Industries and Production, Ministry of Commerce, Private Sector	High traffic railway stations identified and hours extended	2020
Connect railways to SEZs and Industrial Parks	Assess the feasibility to connect rail system to SEZs and other industrial parks. Emphasis here is to streamline the first mile and last mile connectivity. Where possible, rail siding will connect rail terminals at Punjab such as Prem Nagar to the industrial parks to reduce the use of trucks.	Ministry of Railways	Pakistan Railways, Ministry of Communications, Ministry of Industries and Production, Ministry of Commerce, Private Sector	Extended rail to selected areas	2028
Railway connectivity to Gwadar	Consider establishing a rail link to Gwadar, once the port and economic zone has sufficient demand. The feasibility study in this regard was done in June 2019. In particular, Gwadar should have a rail link that connects the nearby Special Economic Zones and Industrial/Logistics Parks. Port Qasim deals with commodities and a conveying system that can transfer bulk commodities such as coal to the nearest rail terminal will be useful.	Ministry of Railways	Pakistan Railways, Ministry of Communications, Ministry of Planning, Development and Special Initiatives	Rail link established	2035

A.3. Maritime Transport

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Improve warehousing facilities along the Karachi Northern Bypass	Expand the Logistics and warehousing facilities at the Karachi Northern Bypass to cater for storage and handling. To increase the efficiency of seaports operations focusing on berthing and discharge/loading. Storage and handling operations should be relocated to terminals at the Northern Bypass.	Sindh Government, Ministry of Communications	Private sector, National Highway Authority	Developed warehousing and logistics parks along northern bypass	2022
New access road to SAPT	Rehabilitate a new access road to South Asia Port Terminal (SAPT) to relieve the frequent congestion caused by trucks queuing outside Karachi East Wharf and oil tankers parking at Shehreen Jinnah Colony, obstructing trucks moving into SAPT.	Sindh Government	Ministry of Communications, National Highway Authority, Ministry of Maritime Affairs, SAPT, Karachi Port Trust, Ministry of Planning, Development and Special Initiatives	New road established	2025

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Improve gate accessibility to Karachi Port and Port Qasim	Improving gate accessibility and control to Karachi Port and Port Qasim. To shorten the gate-in and gate-out time, electronic driver and vehicle identification system can be used. Vehicles that are sub-standard should be stopped at the gate. Redesign of the offices can also improve the efficiency of the seaports-road interface. It is recommended that the office that issues temporary permission for drivers/vehicles to remain in the seaport expand the outlets, or increase from the existing 24 hours to a longer time (e.g. 2-3 days). Also, the port charges offices do not operate 24/7. Either the operating hours be extended, or an online submission and electronic payment system be made available to expedite cargo collection. Finally, consider if the number of gates can be increased at the Karachi Port.	Karachi Port Trust; Qasim Port Authority	Ministry of Maritime Affairs, Private sector associations, Terminal operators, Sindh P&D Department	Entry and Exit time from Port	2021
Handling over-sizes and over-weight cargoes	Setup one-stop shop to issue permission for over-sized and over-weight cargoes near the ports. To avoid the need to visit multiple offices and get permission, a one-stop shop centre that can issue such permits to drivers should be established, the road permission to carry Project Cargo on highways should be issued near the port which is the common loading station rather than at the first toll station. For particular over-sized and over-weight cargoes that must be dismantled and shipped separately, and then re-assembled at final destination, should be conducted at external container freight station instead of in the port terminal. The infrastructure specially road connectivity from port to the economic zones and logistics parks must be designed in such a way that oversize project cargo can easily reach at site because there will be Industrial projects; which require heavy equipment including plant and machinery which are always out of gauge over size. Also, the heavy equipment's and require effective and an efficient road infrastructure from port to the project site.	Karachi Port Trust; Qasim Port Authority; Gwadar Port Trust;	Ministry of Maritime Affairs; National Highway Authority	Time to receive permission extension	2021
Promote multimodal waybills and multimodal transport operators	Promote the use of FIATA Multimodal Waybills to facilitate seaports-road multimodal transport. The FIATA FBL and FWB (negotiable and non-negotiable FIATA Multimodal Transport Bill of Lading) should be promoted. Such documents can reduce two separate documents used separately on road and sea into one document that is internationally recognized. This also requires promoting the concept of a Multimodal Transport Operators (MTO).	Pakistan International Freight Forwarders Association	Ministry of Communications; Pakistan Courier and Logistics Regulatory Authority	Number of Waybills used	2022

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Reduce congestion inside Karachi Port	Reduce the congestion inside by containers of the ports by streamlining the clearance procedures at the Port • Have a higher number of containers "pre-cleared" by customs based on the track record of the importers • Hold regular auctions to remove aged or unclaimed containers from the seaport terminals or explore cost efficient methods to dispose of such containers • Consider East Wharf and West Wharf as a single setup for customs clearance.	Federal Board of Revenue	Port Authorities, Ministry of Maritime Affairs	Number of old containers % of checked containers	2020
Review the statutes of KPT and PQA	Re-examine the statutes that govern the roles and mandates of KPT and PQA. Roles and mandates of the respective port regulators expanded to include investing in training and upskilling for members of the port community	Ministry of Maritime Affairs	Ministry of Communications, Ministry of Planning, Development and Special Initiatives	Review of statutes that govern the roles and mandates of KPT and PQA	2024
Develop risk assessments	Develop a risk assessment and mitigations measures and recovery procedures to ensure business continuity in the vital Karachi Port and Port Qasim.	Ministry of Maritime Affairs	Ministry of Communications; Ministry of Planning, Development and Special Initiatives	Conduct risk assessment and establish measures for recovery procedures	2024
Improve access to and from Karachi port by investing in multiple modes	Improve the accessibility to Karachi Port by: • Develop dedicated rail-freight corridor to the Port (see 5.2 Railways) • Segregate the intra and the inter-city cargo traffic in Karachi via the existing and new bypasses (Karachi Southern-bypass, Northern Bypass, Karachi Freight Corridor, Lyari Expressway) connecting to N-5, M-9 and M-10. • Consider and expand the access by construct dual-carriageway flyovers where users have to pay a toll for its usage. • Develop barge solutions to alleviate pressure contributed by cargo movements on the roads as a stop-gap measure	Ministry of Planning, Development and Special Initiatives	Ministry of Maritime Affairs, Ministry of Communications, Pakistan Railways; Sindh P&D Department; Karachi Port Trust	Updated access plan to Karachi Port % of freight moved from KPT by rail	2020

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Creation of Dry Port near Ports of Karachi and Qasim	Consider creation of a dry port between Karachi Port and Port Qasim	Ministry of Communications	Ministry of Commerce, Ministry of Planning, Development and Special Initiatives, National Highway Authority, National Transport Research Centre	Identify suitable locations at the periphery of the Karachi City, followed by development	2024
Ratify and adopt Pakistan Merchant Marine Policy (PMMP) 2001	Provide legal cover to Pakistan Merchant Marine Policy 2001 as amended on 15 November 2019 by making necessary amendments in Pakistan Merchant Shipping Act 2001, Income Tax Ordinance 2001 and Customs Act 1979 along with the Finance Bill 2021	Ministry of Communications	Ministry of Maritime Affairs, Ministry of Planning, Development and Special Initiatives. Federal Board of Revenue, Pakistan National Shipping Corporation, Port Trust and Authorities, Terminal Operators, Private Sector	Pakistan Merchant Marine Policy 2001 approved, Income Tax Ordinance 2001 and Customs Act, 1979 appropriately amended	2021
Second Channel to Port Qasim	Carry out a feasibility study to create a second channel for Port Qasim to enhance capacity of Qasim port and improve operational performance, in particular considering the LNG terminals	Ministry of Maritime Affairs	Ministry of Communications, Ministry of Planning, Development and Special Initiatives, Port Qasim Authority, Ministry of Climate Change	Follow through with implementation plan for proposed second channel	2021
Increase ship handling capacity	Increase ship-handling capacity catering to larger vessels being deployed by shipping lines	Ministry of Maritime Affairs	Ministry of Communications, Ministry of Planning, Development and Special Initiatives, Port Qasim Authority	Determine capacity requirement catering to larger vessels being deployed by shipping lines and establish capacity upgrading timelines	2029
Develop long-term Port plans	Develop long-term Port plans on a 30-year horizon considering: • Future terminal concessions should account for operational needs of shipping alliances rather than specific terminal operators or shipping lines • Establishment of new seaport complexes inside and outside of the port areas • Hinterland and maritime connectivity as key drivers	Ministry of Maritime Affairs, Ministry of Planning, Development and Special Initiatives	Ministry of Communications, Ministry of Railways, Sindh Planning and Development Department	Propose sustainable solutions to address seaport capacity-related challenges such as identifying potential cargo and vessel traffic demand	2030

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Develop Industries near Gwadar Port	Pursue investment opportunities to drive development of industries that support generation of local cargo for Gwadar Port • Creation of an export-oriented special economic zone adjacent to the seaport • Critical need to generate local cargo to support the seaport on a sustained basis	Gwadar Port Authority Gwadar Development Authority	Ministry of Communications, Ministry of Maritime Affairs, Ministry of Industries and Production, Ministry of Commerce and Textile, other relevant government ministries and departments	Review the need for export-oriented special economic zone adjacent to the seaport and conduct feasibility studies to identify potential site	2030
Reconstruct Mehran Highway	Reconstruct the Mehran Highway to improve the accessibility to Port Qasim	Sindh Government, National Highway Authority	Port Qasim Authority, Ministry of Maritime Affairs, Ministry of Communications	Reconstructed highway	2022

A.4. Air Transport

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Develop Aero-Logistics Parks	Develop aero logistics parks inside or adjacent to international airports. These parks will house logistics centres, express and courier sorting centres and other value-added services. Such cargo villages should be connected with other modes of transportation, such as road and railways. The creation of air logistics park or air cargo village adjacent to the airport can facilitate air cargo agents and ground handling companies to handle logistics more efficiently.	Civil Aviation Authority	Board of Investment, Ministry of Communications	Number of Aero Logistics Park Freight volume and value transported by air	2021
Develop Cool-ports	Develop ecosystem for handling of perishable goods at the airport, in particular establish 'Cool Ports' including temperature-controlled warehouses that allow storage and rapid handling of time and temperature-sensitive items requiring air transport. Medicine and particular fruits and vegetables may be targeted. The perishables are an important component of the air freight. These perishables offer huge export potential for the country. However, a whole ecosystem has to develop at village level to tap into this potential. The Federal Ministry of Agriculture and Food Security should target ecosystem and supply chain systems for the export of products such as dairy and horticulture produce.	Civil Aviation Authority	Specialized cold chain/logistics operators	Cold Chain revenue	2022

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Permit Cargo Airlines directly to fly internationally	Permit cargo airlines to fly international routes immediately instead of waiting for at least 12 months.	Civil Aviation Authority / Aviation Division	Domestic and International Airlines	Freight volume and value transported by air	2021
Simplify Transhipment permit	Simplify the procedure for Trans-shipment Permit (TP) at airports.	Federal Board of Revenue	Civil Aviation Authority, Domestic and International Airlines	Time to obtain TP	2020
Adopt AS9100 Standard	Adopt the AS 9100 Standard, which is a quality management system for aerospace and aviation and consider targeting the Maintenance, Repair and Overhaul business at airport operated by qualified logistics companies	Pakistan Standards and Quality Control Authority	Civil Aviation Authority, Airlines	Standard adopted	2021
Build Transit Trade Facilities	Build Transit Trade Facilities for e-commerce packets and parcels through Pakistani airports to attract parcels from in particular China. China exports huge number of small e-commerce packets and parcels. If a fraction of those packets is diverted through Pakistan, the Chinese e-commerce exporters will be able to realize substantial savings in both cost and time. Moreover, it will also avert clogging capacity in China, especially during peak seasons. Pakistan Post and other providers can play an important role in diverting Chinese e-commerce business through Pakistan.	Civil Aviation Authority	Pakistan Post, Ministry of Commerce, Federal Board of Revenue	Increase in air cargo volume	2020
Enhance Aviation Custom Procedures	Expand single window to involve air cargo regulatory agencies in order to avoid duplication of procedures.	Federal Board of Revenue	Customs, Anti-Narcotics Force, Airports Security Force, Police etc.	Number of shipments that are stopped for checking	2021
Review roles of CAA	Civil Aviation Authority (CAA) is performing the role of an operator, regulator, developer and revenue collector. CAA operates and develops the airports, regulates the airline industry and collects airline related taxes and charges on behalf of the government. Such an arrangement not only creates conflict of interest but also impedes growth of airlines and air freight industry in the country. In order to avoid this arrangement, CAA Airport Services Department should be separated, and airport operator's functions should be performed by private sector. New and existing airports should be considered for public private partnership on build-operate-transfer.	Aviation Division	Civil Aviation Authority, Airlines	Revised and restructured CAA	2022
Improve quality handling agencies	Ensure that registered handling agencies are well-equipped to cater to the cargo needs.	Civil Aviation Authority	Handling agencies, Airlines	NA	2021

A.5. Inland Waterways Transport

Action	Description	Lead Implementers	Stakeholders	Key Performance Indicator	Timeframe
Develop an IWT Master Plan	Develop an Inland Waterways Transport Master Plan • Phase 1: Develop an integrated IWT terminal at Daud Khel to facilitate road-water transport. • Phase 2: Extend IWT from Mianwali to Taunsa • Phase 3: Extend IWT from Taunsa to Sukkur Several hydrological and engineering studies have been performed indicating that IWT is possible with one key determinant – freight volume. Due to the projected large investment, the breakeven volume determines the feasibility. The cost of constructing 1,600km Karachi to Kalabagh channel is estimated to be approximately $4.0 billion phased over 5 to10 years. It is recognized that 146 million acre-feet (MAF) of water in the Indus River, of which near 30MAF flows into the sea, is more than sufficient to sustain an effective inland water transport system. Land acquisition and population displacement is not necessary, and river and canal corridors are already in the government ownership. In terms of infrastructure, development of the IWT along the Indus River has to be done in phases. Attock to Daud Khel (220 km) has already been experimented and proven to be feasible by the former IWTDC. Under the new Phase 1, the IWT should develop an integrated IWT terminal at from Daud Khel in Mianwali, which is a transport hub with roads radiating from four directions, thus facilitating road-water transport. Under Phase 2, the IWT can extend from Mianwali to Taunsa. Once operational, this implies an IWT of 550 km. Next Phase 3 can extend from Taunsa to Sukkur, which is another major transport hub. These three phases will form the trunk inland waterway. Subsequent phases will likely require more financial resources to overcome the low water profile of the river in the Sindh province.	Ministry of Communications	Ministry of Communications, Ministry of Water Resources, WAPDA, Provincial Irrigation Departments, Ministry of Commerce, Ministry of Planning, Development and Special Initiatives, Chamber of Commerce	Number of freight tonnage transported by IWT	2021-2026
Set up an Inland Waterway Transport Authority	Setup an Inland Waterway Transport Authority to cover all aspects of developing inland water transport and other associated activities such as waterfront land utilization, tourist resorts etc. This authority will have the mandate to develop both passenger and cargo transport. The authority will develop the regulation on cargo on IWT and select the IWT operator. The IWTA will function as the coordinating agency and liaise with the provincial governments.	Ministry of Communications	Ministry of Water Resources, WAPDA, Provincial Irrigation Departments, Ministry of Commerce, Ministry of Planning, Development and Special Initiatives, Chamber of Commerce	Infrastructure, Cost effective Logistics, standard compliance, Incident management and quality control	2021

Action	Description	Lead Implementers	Stakeholders	Key Performance Indicator	Timeframe
Appoint a new IWT Development Company	Evaluate and Appoint a new IWT Development Company. Learning from the experiences of IWT Development Company (IWTDC) in Punjab, to select a well-established Pakistan-based logistics operator to be the new IWTDC. A pure commercial firm is not the best fit due to the potential war-time application of IWT and also the expected longer time horizon to make IWT profitable. It should be made clear that IWT has a socio-economic mandate. This IWTDC could be given the sole right to operate the IWT on specific sections and the concessions lasting a definite period of years (e.g. 10 years) to demonstrate the 'proof of concept'.	Inland Waterways Transport Authority	Ministry of Communications, Ministry of Water Resources, WAPDA, Provincial Irrigation Departments, Ministry of Commerce, Ministry of Planning, Development and Special Initiatives	IWTDC appointed	2022
Develop rules and regulations for IWT	Develop federal laws, rules and regulations covering Inland Waterway transport, including the following: • Regulations for the boats and crafts used for cargo transportation. This will specify the dimensions and the technical performance of the assets top operate safely and efficiently on rivers • Develop National Standards on Manufacturing of locally produced ships, in case local production of the boats and barges is considered favourably. • Enforce and managing registration of lease of waterfront lands, waterfront resorts, terminals, shipyards, maintenance depots, etc. • Develop processes to issue and obtain permits and licenses • Cover issues related to Health, Safety and Environment • Develop Training and research centre to cover all aspects of Inland water transportation	Inland Waterways Transport Authority	Ministry of Communications, Ministry of Water Resources, WAPDA, Provincial Irrigation Departments, Ministry of Commerce, Ministry of Industries, Engineering Development Board, National Transport Research Centre, Ministry of Planning, Development and Special Initiatives	Infrastructure, Cost effective Logistics, standard compliance, Incident management and quality control	2022

A.6. Urban Transport

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Establish long term city planning	Establish long-term and an effective land-use zoning and planning. The existing and the future freight movements may be projected and modelled, after which it is incorporated into the land-use and urban planning. • Need an effective coordination of the Transport Department with the Local Governments for the pragmatic and efficient land-use planning and zoning. • Incorporate the freight transport needs into the spatial planning.	Provincial Planning and Development departments	Provincial Transport Departments, Provincial Housing, Urban Development& Public Health Engineering Departments.;	Master Plans available	2023

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
	• Develop properly sited, planned and designed adequate parking space. • Develop properly sited, planned and designed adequate loading and unloading points. • Provide properly planned and designed ramps at the commercial facilities for the materials transfer • Re-examine land use zoning guidelines to distinguish land meant for port activities		Development Authorities		
Delegate and enhance local responsibility for transport planning	Improve and enhance responsibilities for regulating the local transport, and delegate provincial responsibilities to local bodies whilst equipping them with the necessary funds, tools and technologies to help address urban transport. These local bodies should be responsible for preparing a holistic master plan for the city, keeping in view; the anticipated expansion of the city and its future traffic requirements. The Planning and Development, the Housing & Urban Development Department, Local Government Department and the Transport Department have to work in close collaboration.	Provincial Planning and Development Departments and Local Government	Provincial Transport Departments; Local Government departments	Locally responsive plans implemented and tested	2022
Asses bypass roads and limit heavy traffic in the cities	Carry out traffic studies to bypass roads to avoid long-haul traffic moving through the city centre and need to transit to another destination to avoid stopping in the city causing blockades, traffic jams and congestion. Special attention should be given to the requirements of the heavy transport vehicles (HTV) that have to enter the city to cater to city's commercial and industrial requirements. Facilitate and regulate the access of these vehicles to city centres.	Provincial Transport Departments	Provincial Planning and Development Departments, Provincial Local Government & Community Development Departments; National Highway Authority.	Reduction in heavy vehicle in the cities. Reduction in the number of accidents on the road. Improved air and noise quality.	2023
Designate loading and unloading areas	Designate loading and unloading areas and impose penalties and increase enforcement on the illegal parking on the road-side. Urban plans have to incorporate proper loading bays, preferably off-streets to avoid obstruction of traffic. In congested areas, the roads/streets can be marked with special symbols to signify loading/unloading spaces and ensuring effective enforcement in this respect. There is a requirement for the international standard road signage / direction signs and markings to indicate the prohibited or permitted locations for the loading and the unloading at the designated places on the streets and roads.	Provincial Transport Departments	Provincial Planning and Development Departments; Traffic Police	Reduction in heavy vehicle in the cities. Reduction in the number of accidents on the road.	2023
Establish Cross dock stations	Establish, cross-dock stations on the outskirts of the cities. These stations should be located near strategic well accessible locations to facilitate transfer, collection and repacking of cargo.	Provincial Transport Departments	Provincial and Regional Transport Agencies;	Number of Cross-Dock Stations	2022

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
	Also, for the vehicles that need the loading of goods from the HTV for the redistribution, a loading station and area should be reserved in the industrial zone located in the outskirts, including facilities for the construction of distribution centres. HTV can unload the goods or containers, undergo break-bulk in these centres and dispatch the goods to the final destinations, using smaller vehicles or vans.		Provincial Planning and development.	Efficient freight distribution.	
Facilitate night delivery operations	Facilitate the night operations for transfer and movement of cargo • Extend operating hours of the selected rail terminal to allow road-rail transfer of goods • Limit the number of the police-checkpoints to streamline and facilitate night time traffic. • Install street lights at areas where the night operation is likely to happen (e.g. loading and unloading areas). The night operations can be encouraged because this yields two advantages. Firstly, the roads are less congested and the vehicle speeds can be faster. Secondly, it increases the asset utilization for the logistics companies. However, railways stations only operate at day time, but HTV can only enter cities after 8pm (they are prohibited to enter the city during day time to avoid compounding the traffic congestion). So, when the HTV can enter the city, the train stations do not receive nor deliver goods, as they are closed and only a skeletal staff is maintained. As such, trains that carry a large volume of goods will transfer them to numerous small vehicles for inland or onward dispatch, instead of using an HTV for a long haul and higher capacity which is also more economical. Thus, the selected railway stations should operate for the extended hours or even 24 hours over five-day /seven-day periods, so that goods can be transferred to an HTV.	Provincial Transport Departments.	Provincial Transport Departments. Provincial Local Government & Community Development Departments.;	Reduction in the average delivery time for the intra city dispatch.	2022
Development of a Self-Collection lockers system	Consider the development of a Self-Collection Lockers system to facilitate smaller e-commerce parcels: • Develop a Concept Note on the Self Collection Lockers system. • Establish the technical standards for the self-collection lockers to ensure inter-operability • Launch the National Lockers Program and pilot in Tier-1 cities and expand nation-wide. • Designating strategically located drop-off and self-collection points can be encouraged These initiatives cannot be undertaken unless Cash on Delivery services are reduced to a minimal level. See also Box 6.	Ministry of Communications	Ministry of Information Technology and Telecommunication; Ministry of Science and Technology; E-commerce platforms; Logistics Service Providers	Number of Lockers Average Utilization	2020

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Establishing Freight Quality Partnerships	Set up of specific partnership agreements between shopkeepers, carriers and other stakeholders aimed at improving the efficiency of last mile services. Freight Quality Partnerships aim to bring together both public and private-sector parties involved in freight transport and logistics to discuss problems and identify and implement solutions.	Relevant associations	Ministry of Communications City Governments	Freight partnerships established for every major city	2022
Establishing Urban Consolidation/Logistics Centres in major cities:	Contributes to the reduction of freight traffic circulating within a target area by promoting the consolidation of cargo shipments at one or more urban terminals; • Carriers that would normally make separate trips to the target area with low load factors, transfer their loads to a neutral carrier that consolidates the cargo and manages the last leg of the deliveries; • Shipments are supplied to a strategically located warehouse instead of multiple vehicles making individual direct deliveries to receivers within urban centres; and • Shipments are usually consolidated to maximise vehicle utilisation on the "last mile" and make a reduced number of deliveries at agreed times during the day.	Provincial Governments	Ministry of Communications City Governments Freight operators	Logistics Centres established	2022
Designate HTV Parking Areas and Truck Stops	Support the creation of suitable lorry parking and driver rest facilities in accordance with local and wider needs that may also remove inconvenient parking of HTV vehicles in residential or sensitive areas.	Provincial Governments	Provincial Transport Departments; Traffic Police; Provincial Finance Departments; Provincial Communication & Works Departments.; National Highway Authority.;	Reduction in heavy vehicle in the cities. Reduction in the number of accidents on the road. Improved air and noise quality.	2022
Develop designated routes for freight	Develop designated routes for trucks in specified streets to avoid HTV traffic in residential areas. This is supported by the implementation of coordinated route navigation e.g. using ITS systems to optimise the delivery routes and timings. Consider usage of initiatives for the intelligent use of road space, optimised signalling and automation, with a particular focus on the road network within urban centres including exploring new technologies.	Provincial Governments and Ministry of Communications	Provincial Transport Departments; Traffic Police; Provincial Finance Departments; Provincial Communication & Works Departments.; National Highway Authority.;	Reduction in heavy vehicle in the cities. Reduction in the number of accidents on the road. Improved air and noise quality.	2021

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Promotion of greener freight in urban areas	Work with the public and private sector to reduce lorry and van movements in urban areas by identifying and developing a series of 'green' projects with a view to preserving the liveability of city centres and reduce the negative externalities produced by freight vehicles in terms of emissions, noise and safety. Options are: • Promotion of low emission delivery vehicles and concepts, by developing restricted zones and operating hours with the exception of clean vehicles • Identify and implement opportunities to encourage accelerated uptake of low emissions vehicles and operational practices. • Address the requirement for alternative fuels infrastructure as part of wide development planning policies. • Explore cleaner alternatives for 'last mile' logistics and courier type services (for example, electric and cycling logistics). • Encourage local freight/logistics operators to adopt cleaner engines including retrofitting equipment that will improve fuel efficiency.	Ministry of Planning, Development and Special Initiatives Provincial Planning and Development Departments	Provincial Transport Departments; Traffic Police; Provincial Finance Departments; Provincial Communication & Works Departments.; National Highway Authority.;	Reduction in heavy vehicle in the cities. Reduction in the number of accidents on the road. Improved air and noise quality.	2022

A.7. Rural Transport

Action	Description	Lead implementer	Stakeholders	Key Performance Indicator	Timeframe
Attract and facilitate rural logistics	Establish a hub-and-spoke mechanism for rural logistics, with prioritized maintenance for the core routes and road-side facilities for loading- and unloading. Smaller warehousing facilities, potentially temperature-controlled, should be considered at those locations that can act as a hub.	Provincial Transport Departments	Provincial Planning and Development Departments; Provincial Local Government & Community Development Departments.	Efficient freight distribution in the rural areas.	2025
Establish collection points	Establish collection points at strategic location for collection and repacking of freight in rural areas for bulk transport to the main distribution networks.	Provincial Transport Departments	Provincial Planning and Development Departments; Provincial Local Government & Community Development Departments; Pakistan Post	Secure and safer place for the goods; with overall lesser wastage and pilferage.	2025

Action	Description	Lead implementer	Stakeholders	Key Performance Indicator	Timeframe
Utilize the Pakistan Post network	Consider utilizing the extensive Pakistan Post network of around 12,000 post offices in the rural areas. This is an asset that can be capitalized upon as the pick-up points in the rural areas of the country. The partnerships with the private enterprises, such as e-commerce logistics firms and other logistics service providers should be encouraged to establish the urban-rural deliveries network. The private enterprises can focus on the urban distribution but outsource the rural deliveries to the Pakistan Post; such an arrangement will help optimise the load balance for the urban-rural deliveries.	Pakistan Post	Provincial Transport Departments.; Provincial Planning and Development Department; Ministry of Communications.	Secure and safer place for the goods; with overall lesser wastage and pilferage. Improved efficiency of the overall supply chain.	2025

A.8. Horizontal: Enabling Governance Structure

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Establish the Pakistan Courier and Logistics Regulatory Authority	Approve the formation of the Pakistan Courier and Logistics Regulatory Authority (PCLRA) and develop the charter for PCLRA • Once established, PCLRA would regulate and standardize the logistics sector. • The leadership in PCLRA will develop the charter for the authority and develop industry regulations on the courier and logistics industry, covering areas such as facilitation of logistics industry, safeguarding industry operators and service providers' interests, inculcating efficiency in the logistics system through process and regulatory interventions and drafting rules, regulations and standards for the industry. • Carefully draft its rules with a view to promoting e-commerce and e-logistics and to establish stability, transparency and standardisation in the system in consultation with all players, such as e-commerce portals, electronic retailers, courier operators etc. • Select the Board of Directors of PCLRA and appoint the key office bearer (e.g. Chairperson, Director General) and establish PCLRA Fund • Amend the Rules of Business to cover the role of the Pakistan Courier and Logistics Regulatory Authority, covering the Charter and oversight of the logistics industry.	Ministry of Communications	Ministry of Commerce, Ministry of Maritime Affairs, Ministry of Railways, Ministry of Postal Services, Aviation Division, Provincial Government, Industry associations, National Logistics Cell	Charter of PCLRA approved	2020

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Develop the Logistics Industry Transformation Plan	Develop the Logistics Industry Transformation Plan in consultation with the public sector and the business community. The plan provides a development strategy that covers the areas described in this policy and other sector-specific incentives, such organization of awareness, promotion and business-to-business activities for Pakistan logistics companies within the country and in overseas destinations. The Transformation Plan will further operationalize the actions described in this policy.	PCLRA	Ministry of Communications, Ministry of Commerce, Ministry of Maritime Affairs, Ministry of Railways, Ministry of Postal Services, Aviation Division, Provincial Government, Industry Associations, National Logistics Cell, Chambers of Commerce and Industries.	Logistics Industry Transformation Master-Plan	2020
Continue and prioritize the development of Pakistan Single Window and simplify the Customs clearance procedures	Implement and prioritize the development of the Pakistan Single Window. In process of adopting the Pakistan Single Window, streamline the processes covering the customs clearance procedures, including the statutory regulatory orders (SRO's) and rationalize the tax structures accompanying those	Federal Board of Revenue	Ministry of Communications, Ministry of Commerce, Ministry of Maritime Affairs, Ministry of Railways, Ministry of Postal Services, Ministry of Science and Technology; Aviation Division, Provincial Governments	Pakistan Single Window operational and functional	2022
Promote REIT for financing infrastructure	Encourage multiple channels of private-sector investment fund particularly the application of Real Estate Investment Trust (REIT) to finance logistics infrastructure, particularly of warehousing.	Ministry of Commerce	Warehouse operators, Private sector associations, Ministry of Finance	First REIT established	2021
Computerize Land Registry	Land registry shall computerize all records of ownership titles to support land acquisitions and transfer.	Provincial Board of Revenue Departments.	NADRA, Provincial Governments	Percentage of Land that possess computerized Land Registry	2022
Review the withholding tax on gross turnover of freight forwarders	Review the inadvertent consequences from the withholding tax on gross turnover of freight forwarders. The gross turnover contains 'pass-through' charges.	Federal Board of Revenue	Pakistan Courier and Logistics Regulatory Authority; Shipping Lines and Agents; Airlines	Cost of Freight Forwarding	2021
Continue the improvement for registration of new business	Continue the improvement processes to facilitate registration of new business, including the harmonization of the tax number identification	Board of Investment	Federal Board of Revenue, Private Sector associations	Number of new companies	2020

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Preferential financing for logistics companies	Seek to promote and offer preferential loan and financing to logistics companies. Logistics is to be recognized as a qualified 'industry' that is entitled to business loans at preferential interests. This will stimulate greater private-sector ability to invest and reinvest in the industry.	Ministry of Commerce	State Bank of Pakistan; Pakistan Courier and Logistics Regulatory Authority; Shipping Lines and Agents; Airlines; Ministry of Industries and Production; Ministry of Commerce; Ministry of Communications; Commercial Banks	Cost of Freight Forwarding	2022
Accept insurance guarantees as customs guarantee	Consider recognizing and accepting Insurance Guarantees as a customs guarantee in lieu of bank guarantees. The approval for use of insurance guarantees can be made conditional based on history and track record of the respective logistics operators.	Federal Board of Revenue	Ministry of Commerce, Pakistan Courier and Logistics Regulatory Authority; Industry Associations; Ministry of Communications	Other guarantees accepted	2022
Publish schedule of fees	Publish Schedule of Fees and Issue Receipts to Combat Corruption. An official schedule of fees and tariffs for different charges and fees that are payable by logistics service providers should be published and made easily accessible so that the information is transparent.	Pakistan Courier and Logistics Regulatory Authority	Ministry of Communications; Provincial Transport Departments; National Highway Authority	Official Schedule of Fees and Tariffs published	2020
Align and develop logistics statistics	Align and develop the logistics statistics concerning all relevant aspects of logistics. This will be incorporated in the National Transport Data Observatory and support public and private sector in decision making. The statistics will cover the modal share, vehicle fleet, freight tonnes carried by transport mode (%), service frequency, origin destination, turn around and clearance times, time and distance, reliability and costs of travel, export/import by good and location, etc.	Ministry of Communications / Pakistan Bureau of Statistics	Provincial Transport Departments.	Established NTDO	2022

A.9. Horizontal: E-Logistics

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Promote supply chain management and automation technology	Promote supply chain management and automation technologies such as innovative robotic sorting solutions, automated sorting systems, Radio Frequency Identification Devices (RFID) Tags that incorporate data analysis, cloud computing, intelligent terminals and image processing technologies in order to shorten delivery time. Automation is essential to efficiently process bigger volumes.	Federal Board of Revenue	Ministry of Communications; Ministry of Science and Technology	Percentage of e-commerce transactions, both web-based and EDI based, out of the total transactions. Growth in e-commerce transactions in	2022

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
	Tax incentives may be considered as labour cost is low in Pakistan, so the industry has little incentive to automate systems with current tax regime.			comparison to base year.	
Equal status for electronic documents	Amend laws and procedures to give electronic documents the same status as signed, physical documents.	Ministry of Law & Justice	Ministry of Commerce	Number of electronic documents generated per annum	2021
Reduce cash on delivery	Promote and offer incentives to customers that do not use cash on delivery • Innovative modes of payment such as prepaid debit/credit cards and mobile and electronic wallets should be incentivised. Conventional products such as debit and credit cards may be of limited use because of weak financial inclusion in the country. • Card Not Present transactions may be used as alternative arrangement but comprehensive deliberation is essential in this regard because their high risk may outweigh the benefits. • Banks will have to enable the innovative modes of payment and the electronic retailers will have to offer sales promotions for the customers who do not opt for Cash on Delivery	E-retailing and logistics operators	Ministry of Commerce	Percentage Decrease in Number of Customers using CoD	2022
Promote nation-wide operations	Promote an equal nation-wide operation to ensure operators cover the whole of the country. E-logistics operators need to keep pace with current growth in e-commerce activity; they need to reconfigure existing infrastructure and invest in the new one in order to target new geographic markets; currently, the demand for e-logistics is reaching to geographic areas where e-logistics operators do not operate.	E-Logistics Operators	Pakistan Post, Ministry of Communications, Private sector associations	Geographic area (including rural and remote areas) served by e-logistics operators compared with the total area.	2021
Facilitate reverse logistics	Facilitate in the rules and regulations the reverse logistics. Reverse e-logistics need to be established in order to facilitate customers for returns, warranties and guarantees.	E-Logistics Operators	E-retailers and portals	Availability of reverse logistics system as a percentage of total geographic coverage	2022
Establish Delivery Networks for E-Commerce Goods	Establishing Delivery Networks for E-Commerce Goods: Promote developing networks of “pick up and drop off points”, where the receiver can choose to have e-commerce deliveries made to a convenient location, such as at convenience stores. The rapid growth of internet trading has encouraged an expansion in ‘white van’ delivery services that add to local traffic volumes that are often inefficient in terms of the goods they carry (individual deliveries of very light packets). The private sector is beginning to identify solutions to this dilemma.	E-Logistics Operators	Pakistan Courier and Logistics Regulatory Authority	Volume of last mile deliveries (average number of shipments in a particular period) in rural and low volume areas	2021

A.10. Horizontal: Transit Trade Facilitation

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Develop the Authorized Economic Operator	Develop the Authorized Economic Operators (AEO) system in Pakistan. This needs to be encouraged and will strongly facilitate business. Furthermore, the AEO system has an additional value, if the list of qualified operators is also exchanged with the neighbouring countries and/or key trading partners. Mutual recognition of the AEO can reduce the time and cost of cross-border trade for all modes of transport.	Federal Board of Revenue	Ministry of Interior; Ministry of Commerce; Industry Associations	AEO guidelines and implementation plan	2021
Adoption of smart seals	Consider adoption of smart seals with integrated GPS/GIS to monitor transit movements. The use of the intelligent technologies, such as smart seals allow customs to ensure the goods remain in the truck compartment and allows real-time monitoring of the truck journey. If the truck deviates from the permitted route, the system is integrated with a Geographical Information System that alerts the customs officers.	Federal Board of Revenue	Ministry of Interior; Ministry of Commerce; National Highway Authority; National Transport Research Centre; Provincial Governments; Industry Associations;	Smart Seals System	2020
Exchange custom data with Afghanistan	Conduct bilateral exchange of custom data with Afghanistan to enable risk-based assessment of transit trade. The transit goods have to be carried in a bonded manner. To do this more effectively, information is important. Customs administrations from trading countries should exchange bilateral data so that relevant authorities can monitor the flow of goods and analyse trends to identify any suspicious activities. This also paves the way for pre-arrival declaration of goods, giving customs officials more time to conduct risk-based assessments instead of initiating customs controls only when the truck arrives at the border.	Federal Board of Revenue	Ministry of Foreign Affairs; Afghanistan Customs Department; Ministry of Communications; Ministry of Commerce	MoU on Exchange of Data	2022
Assess the Passage du Carnet system for temporary admission of vehicles	Examine the feasibility of adopting Passage du Carnet system for temporary admission of commercial vehicles. A common concern is that the freight and sometimes even vehicles declared for transit are sold inside Pakistan. To address this, the Carnet du Passage system can be considered. This international customs document simplifies temporary admission of commercial vehicles. The Afghan Ministry of Transport is also considering this system.	Federal Board of Revenue	Ministry of Communications; Ministry of Interior; Ministry of Commerce; National Highway Authority; Provincial Governments; Industry Associations;	Passage du Carnet Feasibility Report	2022
Adopt a temporary road pass quota system facilitating transit rights	Adopt a road pass quota system for limited rights for both Afghan and Pakistan operators to reduce transloading of goods at border between vehicles in the absence of a complete APTTA agreement. This means granting a limited number of road pass to qualified Afghan operators (e.g. TIR Holders) to deliver goods to the Wagah border, while it is requested that Afghanistan grants limited rights to Pakistan operators to Shirkhan Bandar. This can reduce the number of transloading of goods.	Ministry of Communications	Federal Board of Revenue; National Highway Authority; National Transport Research Centre; Private Sector; Government of Afghanistan; National Logistics Cell;	Road Quota system	2021

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Modernize border crossing points	Modernize border crossing points, in continuation of the existing ADB project to modernize the border crossing, with a view to focus on transit goods. • Consider expanding and developing Ghulam Khan border crossing point, focussed on transit trade as an alternative to Torkham. • Implement TIR parks and smart gate system to ease the congestion at Torkham, and replicate this to other BCPs if successful • General considerations for all major boarding crossing points: o Segregate cargo and passenger traffic at border, o Using truck scanners to conduct inspection, instead of frequent physical loading and unloading, o Institute Smart Gates and TIR system to notify drivers only when their queue is up, so that they can park the trucks at proper truck parking space away but near to BCPs, o Harmonize the BCP operation hours with neighbouring countries o Reduce the number of police checkpoints between the two BCPs that slows down the traffic but conduct surveillance with the CCTVs and perimeter fencing o Create Green Lanes for the movement of perishables, or allow this for the TIR trucks at the minimal so that the TIR operators can cross with minimal hindrances	Federal Board of Revenue	Ministry of Communications; Ministry of Interior; Narcotics Control Authority; National Highway Authority; National Transport Research Centre; Government of Afghanistan; National Logistics Cell;	Average border crossing time reduced	2020
Install Truck scanners at border crossing points	Install and operate truck scanners at border crossing points to examine compartment contents without the need for full physical examination. The principle here is to adopt risk-based management and a greater application of non-intrusive technologies to allow tax and customs officers to conduct their duties yet create less friction in the transit movement.	Federal Board of Revenue	Ministry of Interior; National Logistics Cell; Private Sector;	Average border crossing time and cost educed	2023
Incentivize transit trade at Gwadar	Incentivize transit trade at Gwadar so that it can attract cargo and operators, • Designate Gwadar seaport special status as the gateway for Central Asian transit trade • Construct and operate bonded bulk storage and handling facilities in Gwadar seaport and Special Economic Zone	Ministry of Commerce / Ministry of Planning, Development	Ministry of Planning, Development and Special Initiatives; Ministry of Maritime Affairs; Ministry of Communications; Federal Board of Revenue; National Highway	Notification on Special Status of Gwadar for Transit Trade to Central Asian Republics	2021-2024

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
	• Reduce time to obtain a trans-shipment permit by simplifying the procedures, particularly for multimodal shipments • Amend WeBoC to be able to handle the multimodal shipments. • Consider to extend simplified transit regime to the Central Asian Republics. Currently, the seaport already has favourable financial incentives such as 3 months free storage period. • Commission a Feasibility Study on 'Gwadar+4' Air Hop Strategy with Central Asian Republics, within a 4 hours flight radius, an aircraft can leave Gwadar and arrive at the capital cities of the Central Asian Republics. This air hop would overcome the cumbersome road transportation problem. By working a through air-sea freight rate, Gwadar can attract goods from the Central Asian Republics to use the air freight to Gwadar, and then re-export to the other international destinations. This strategy can be implemented in the short term and focuses on the high value horticultural products (e.g. cherries, saffron) from the Central Asia There is a window of opportunity now due to the international sanctions against Iran; international shippers are reluctant to use the Iranian seaports. Dubai seaports are more costly and the business environment remains tough there. This is the right opportunity for Pakistan to close the gap with the regional competitors and attract traffic to Gwadar, including the transit business.	and Special Initiatives	Authority; National Transport Research Centre; Private Sector; Government of Baluchistan; Gwadar Port Authority;		
Improve clearance procedures	Improve clearance procedures and release of trucks and cargoes within 24 hours from the Ports and Border operations • Issue a Directive to release all trucks/cargoes within 24 hours • Establish a pre-clearance system is setup in Pakistan, to release all pre-cleared trucks/cargoes within 2 hours. • In the long term, all shipments should be cleared within 2 hours for instance, if they meet certain conditions. • Establish a watchdog to evaluate and monitor the clearance and cargo release time issued in Prime Minister's Directive	Prime Minister's Office	Ministry of Planning, Development and Special Initiatives; Ministry of Maritime Affairs; Ministry of Communications; Ministry of Interior; Federal Board of Revenue; Private Sector; Provincial Governments; National Logistics Cell;	Average lead-time at port for clearance and cargo release shortened	2020-2021
Through fare for road-rail service to Central Asian Republics	Provide a through-fare service for road-rail service connecting Gwadar and Karachi and Central Asian Republics (one fare for multimodal shipment) to facilitate bulk commodities from Central Asian Republics. This includes key export products cotton and	Ministry of Railways	Ministry of Communications; Federal Board of Revenue; Industry Associations;	Multimodal service (road-rail) between Afghanistan, Pakistan and Central Asian Republics	2025-2030

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
	aluminium from Tajikistan and Uzbekistan and minerals and energy items exports from Kazakhstan and Turkmenistan.				
Continue simplifying visa application	Continue simplifying visa application procedures and consider reduce Visa Fees for transit trade.	Ministry of Foreign Affairs	Ministry of Interior, Ministry of Communications; Ministry of Commerce	Application Time and Fees for Visa to Overseas Countries for Transport Operators	2022

A.11. Horizontal: International Conventions, Standards and Agreements

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Revive APTTA	Revive Afghanistan Pakistan Transit Trade Agreement (APTTA, 2010) to facilitate trade with Central Asian Republics and minimize trans-loadings, particularly from Jalalabad and Shirkhan Bandar border.	Ministry of Commerce	Ministry of Communications; Pakistan Customs; Ministry of Foreign Affairs; Ministry of Interior; Federation of Pakistan Chambers of Commerce & Industry; Pakistan International Freight Forwarders Association;	Signing of revised agreement and its ratification by both governments	2021
Accede to several international Maritime Protocols	Review and consider accession to following International Maritime Organization Conventions and Protocols: • Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, as amended (MARPOL PROT 1997) • International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (BOPD 2001) • International Convention on the Control of Harmful Antifouling Systems on Ships, 2001 (AFS 2001) • International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (SBWS 2004) • International Convention on Facilitation of International Maritime Traffic, 1965 as amended (FAL – 1965)	Ministry of Maritime Affairs	Pakistan Customs; Mercantile Marine Department; Ministry of Interior; Plant Protection Department; Port Health Department; Pakistan National Shipping Corporation; Pakistan Ship Agents Association; Customs Agents Association	Accession to the Conventions and issue of notification of Accession by Government of Pakistan	2021

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Accede to several customs conventions	Review and consider accession to following Customs Conventions: • Customs Convention on Temporary Importation of Commercial Road Vehicles (1956) • Customs Convention on Containers (1972) • International Convention on the Harmonization of Frontier Control of Goods (1982)	Federal Board of Revenue	Pakistan Customs; Ministry of Communications; Ministry of Law & justice; Ministry of Foreign Affairs; Ministry of Interior	Accession to the Conventions and their notification	2021
Implement CMR Convention	Implement CMR Convention • Enactment of International Carriage of Goods by Road Bill, 2019 to implement CMR acceded by Government of Pakistan • Arrange issue of standardized CMR Waybill for use by road transporters of Pakistan. • Arrange issue of CMR cargo insurance policy • Arrange issue of third-party liability insurance for foreign vehicles • Establish structure of Transit Fee for foreign vehicles transiting Pakistan • Organize a 'Caravan' to pilot transit transportation:	Ministry of Communications	Members of CMR Implementation Committee	CMR operational	2021
Revisit TIR rules and regulations	Revisit TIR rules and regulations taking into account current practice and amend the rules to incorporate any lessons learned from the first years of operations and adoption of CMR convention.	Federal Board of Revenue	PNC-ICC, Bonder Carriers, Ministry of Communications, other associations	Number of TIR carnets issued	2020
Revise the domestic carriage act	Review and enact the Carriage of Goods by Road Bill, 2013 by all Provincial Assemblies to regulate the domestic carriage of goods by road and replace the Carriers Act, 1865. It is necessary for the same bill to be enacted by all the provinces to maintain uniformity of domestic road transport legislation throughout the country.	Provincial Governments	Ministry of Communications; Departments of Transport of respective Province; Association of goods Carriers Association of the Province	Enactment of the Bill by all provinces.	2020
Consider accession to ADR	Consider and assess the feasibility to accede to the International Carriage of Dangerous Goods by Road (ADR) convention. This convention is to ensure safety in the transportation of chemicals, gases and hazardous materials, components, radioactive materials. Reviews of existing federal legislation, such as OGRA dangerous goods rules, and the Dangerous Cargoes Act, 1953, may provide some insight into Pakistan's preparedness to incorporate this major international convention.	Ministry of Communications			

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Publish list of acceded conventions	Publish the list of acceded conventions, standards and bilateral/multilateral agreements on a public website of the Government	Ministry of Foreign Affairs	Ministry of Law and Justice; Ministry of Communications; Ministry of Maritime Affairs; Ministry of Finance; Ministry of Postal Services; Ministry of Railways	Updated Website	2020

A.12. Horizontal: Information Technology

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Promote Electronic Data Interchange	Facilitate and define an incentive structure to implement Electronic Data Interchange (EDI) to allow for improved track and trace, reliability and predictability of shipments. This also enables Just in Time shipments. The role of the Pakistan Single Window and WeBoC can support this facility. Consider establishment of national EDI guidelines.	Federal Board of Revenue	Ministry of Commerce Ministry of Industries and Production Ministry of Maritime Affairs	Scoring on LPI index Track and Trace	2021
Promote the use of blockchain	Promote and seek innovation with the usage of Blockchain in Freight and Logistics industry. The blockchain can help significantly reduce cash realization cycle, cut transaction and administrative costs, increase LCL inefficiency by better consolidation of cargo and decreasing empty and partial loads, decrease temperature variation in cold-chain logistics and help track the cargo. • Blockchain can be applied to trade finance. There are multiple parties such as shippers, carriers, regulators, banks, insurance companies, importers etc, and a multitude of documents such as commercial invoice and shipping documents. The use of Blockchain in trade finance can greatly enhance the efficiency of supply chain finance. • Blockchain can be used in the food supply chain. As consumers become increasingly sophisticated, they need to know the origin of the production, the processes from 'farm to fork' which will provide transparency of the entire supply chain. • Blockchain can be applied to land registry for titles, enables the title of the land to be recorded on a transparent basis that remains free from any tampering.	Ministry of Communications	Ministry of IT and Telecommunication, Ministry of Science and Technology; Pakistan Telecomunication Authority, Provincial IT Boards. Industry Associations	Growth in Blockchain related transactions in the industry	2025

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Artificial Intelligence for pre-Clearance	Consider use of Artificial Intelligence for pre-clearance of shipments by Customs and other Border Control Agencies. This can enhance the quality of the checking and determination for the green or red channel.	Federal Board of Revenue	Ministry of Commerce, Industry Associations	AI applied	2022
Develop multimodal logistics in WeBoC	Improvement in WeBoC to enable it to process multimodal shipments, in particular in line with the TIR convention	Federal Board of Revenue	Ministry of Maritime Affairs; Ministry of Communications; Government of Baluchistan; Gwadar Port Authority; Civil Aviation Authority; Private Sector;	Shorter time for Trans-Shipment Permit WeBoC able to handle multimodal shipments	2020-2021
Stimulate innovation by launching a LogTech fund	Stimulate innovation by considering launching a LogTech fund jointly with private sector associations to promote the adoption of EDI, ERP, Logistics Information Systems, Blockchain, Artificial Intelligence, Cloud Computing, etc. to process and facilitate logistics supply chain and accompanying transactions. • Establish the selection criteria • Describe the application procedure • Define the list of technologies to be supported • List the financial support mechanisms (e.g. tax credit) In addition, the government shall also explore a grant or subsidy program to promote logistics information systems such as warehouse management system, transport management system and freight management system. The self-sustaining LogTech may be developed; this LogTech fund will establish the selection criteria, application procedure and the list of approved technologies. The financial support mechanism includes co-financing, low interest long term loans or tax credits.	Ministry of Communications	Ministry of Science and Technology; Ministry of Communications; Federal Board of Revenue; Industry Associations; Ministry of Commerce; Board of Investment	Percentage of e-commerce transactions, both web-based and EDI based, out of the total transactions. Growth in e-commerce transactions in comparison to base year.	2022

A.13. Horizontal: Capacity Building

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Designate NAVTTC for Logistics Capacity Building	Designate National Vocational & Technical Training Commission (NAVTTC) as the apex agency for logistics capacity building. In terms of Accreditation, Certification and Standards, the NAVTTC shall be the primary organisation to serve as the regulatory authority on capacity building matters.	Ministry of Federal Education and Professional Training	National Vocational & Technical Training Commission; Ministry of Communications; Industry Associations	NAVTTC notified and agreed	2020

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
	Include setting up a Freight and Logistics Advisory Council to advise NAVTTC on the industry matters related on capacity building. It is necessary for the business practitioners to provide technical guidance and inputs to NAVTTC on capacity building matters. Membership will comprise private sector business leaders and office-bearers of transport and logistics associations.				
Conduct a Training Needs Assessment	Conduct a national Training Needs Analysis on Logistics Industry. NAVTTC with the advice of Advisory Council, shall embark on a national training needs assessment focusing on the freight and logistics industry. The training needs assessment identifies existing and new skills required by the industry, including existing courses in the market, identification of the gaps and issues related to capacity building needs Repeated surveys can be considered to be conducted in all four provinces to collect up-to-date data on the logistics industry. The aggregated survey findings could then be published and served as a reference point to inform future policy making.	National Vocational & Technical Training Commission	National Logistics Cell; Industry Associations; Chambers of Commerce	Training Needs Analysis	2020-2021
Develop the National Vocational Qualification Framework	Develop the National Vocational Qualification Framework for Logistics. Core skills in the field will be defined and related training will be designed and imparted (e.g. procurement, inventory management, transportation, distribution, warehousing, freight forwarding etc). Each core skill has a list of unit of competencies that defines a specific skill or know-how. The logistics National Vocational Qualification Framework can then serve as a reference model for launching new courses, or assessing individual logistics expertise in interviews, examinations or career progression.	National Vocational & Technical Training Commission	National Logistics Cell; Industry Associations; Chambers of Commerce	National Vocational Qualification Framework	2020-2021
Establish Accredited Training Organizations	Award Accredited Training Organization to those organizations that meet the quality standards and deliver the capacity building programs. NAVTTC can designate Accredited Training Organizations where the courses qualify for government grants or incentives.	National Vocational & Technical Training Commission	All training organizations offering courses in logistics	Accredited Training Organization developed	2020-2023
Design and Setup a training development fund	Design and Setup a Training Development Fund to support capacity building. This can be done in various ways such as (1) Direct subsidies to accredited training organizations for qualified courses, (2) Logistics Scholarships and Book Prizes, (3) Tax credit to companies.	National Vocational & Technical Training Commission	Ministry of Finance; Pakistan Courier and Logistics Regulatory Authority; Private Sector;	Training Development Fund established	2021

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Support set up Centres of Excellence	Support Centres of Excellence in Universities to strengthen industry-academia linkages to attract talent to the industry and can serve as a platform to connect industry and academic institutions in each province. For example, Bahria University with its association to National Institute of Maritime Affairs can serve as the centre of excellence for seaports and international shipping. Fostering international partnerships and linkages with reputable universities and colleges is also beneficial.	Ministry of Federal Education and Professional Training	Universities and Colleges (Pakistan and Overseas)	Centres of Excellence established	2020-2021
Attract professionals	Attracting professionals, outside of logistics, to enter the logistics industry by launching a Strategic Manpower Conversion Program (SMCP) to deliver future work and drive innovation. The SMCP is providing a strategic training programme. NAVTTC, accredited training organizations and the centres of excellence can perform job match-making. These candidates undergo an introductory conversion course by accredited training organization and then work part-time at an assigned logistics company. Upon completion of the conversion program, the company and individual discuss options to continue employment with the company.	National Vocational & Technical Training Commission	National Logistics Cell; Industry Associations; Chambers of Commerce;	Strategic Manpower Conversion Program	2021 onwards
Capacity building for Government staff	Conduct capacity building for government staff working in Ministries and Authorities related to logistics. The capacity building programs related to Freight and Logistics should be facilitated by relevant Government Ministries and Department dealing with Freight and Logistics both at Federal and provincial level, highways and Motorway personnel along with Trade bodies and associations.	National Vocational & Technical Training Commission	Accredited Training Organizations; Relevant government ministries and authorities	Assessment Scores (pre-test and post-test) showing improvement	2021 onwards
Expand and develop courses for handling dangerous goods	Expand and develop courses to cover transport of dangerous goods via all modes of transport. Consider the existing training and certification for Handling of Dangerous Goods by Air that is available in Pakistan. In addition, to the Defensive Driving course, Vocational training should be made mandatory for drivers training on Health Safety Security & Environment (HSSE) Inspection with elementary first aid to cater Occupational Health and Safety which is major requirement of Industrial sector.	National Vocational & Technical Training Commission	Ministry of Communications, Engineering Development Board, Provincial Governments, National Highways and Motorways Police	Number of people taken the course	2021
Improve and enhance driver training	Improve and enhance the driver training in line with the driver licensing guidelines and adopt this within the various governments and the private vocational training institutes in order to inculcate professionalism and promote employment generation.	Ministry of Communications	National Highways and Motorways Police, Provincial Governments	Number of people taken the training	2022

Action	Description	Lead Implementor	Stakeholders	Key Performance Indicator	Timeframe
Update driving handbook and licenses	Update the syllabus for Heavy Transport Vehicle (HTV) license to cover Defensive Driving Course and Health Safety Security Environment as well. Update the Road Safety Handbook and must highlight use of reflectors and lash cargo in accordance with the pre-defined standards, using tools and equipment for safety of cargo such as belts, chains, ropes and mandatory signs.	National Highways & Motorways Police, Provincial Traffic Police.	All public and private training institutes	Updated Syllabus	2021

Annex B. Logistics Performance Indicators

KPIs are metrics that show the progress in relation to delivering the vision and strategic objectives that have been set. The NFLP needs to have an effective monitoring and evaluation framework in place to monitor progress. The Logistics Performance Indicators (LPI), a set of KPIs collected, analysed and published by World Bank, is the most appropriate framework. This is based on the following selection criteria:

(i) They are recognised at an international level by policy makers;
(ii) They are published and accessible online;
(iii) The nature of the indicators reflects the current state of transport and logistics in Pakistan;
(iv) The KPIs are reported in relation to timescales, so that it is possible to assess changes in the level of performance; as well as improvement or deterioration over time;
(v) The KPIs are benchmarked against other countries to evaluate the comparative performance.

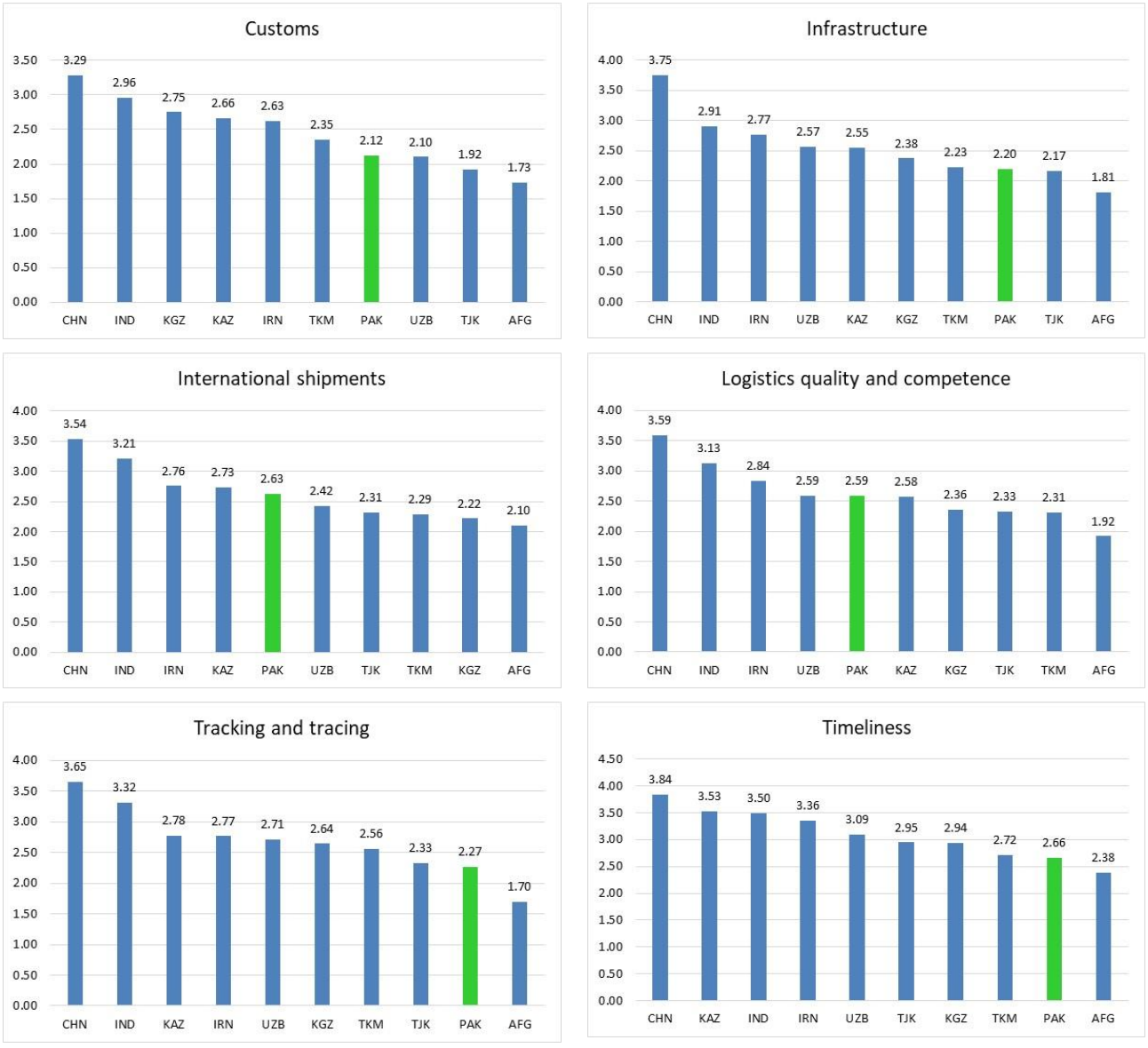
Pakistan ranked 122nd in Logistics Performance Index (LPI) 2018 down from 68th position in 2016. Such a sharp drop signifies a serious deterioration in the (perception of) performance of the logistics infrastructure across the country. There are a number of sub-components as part of the ranking including; “Efficiency of Customs”, the “Quality of Trade and Transport Infrastructure”, the “Ease of Arranging Competitively Priced International Shipments”, the “Competence and Quality of Logistics Services”, the “Ability to Track and Trace Consignments” and the “Timeliness of Shipments”. Pakistan recorded a drop in every single sub-component, however the largest decrease was observed in the categories relating to “The Ability to Track and Trace Consignments” and the “Efficiency of Customs”. The LPI sub-components are good starting points to reform the logistics sector in Pakistan. The LPI sub-components are internationally recognised yardstick, which shall enable to measure and evaluate the reform process in the logistics sector in Pakistan.

- **Metric 1. Improve the efficiency of Customs and Border Clearance.** The customs performance is the most inferior and suffered the steepest drop in ranking. Notwithstanding, reforms can be made to improve the customs performance. The rule of thumb for gauging the efficiency in the clearance process is the speed, simplicity and predictability of the formalities by the border control agencies, including the Customs. For instance, Germany, which scores highest in LPI in Customs, expresses most customs duties and value added tax (VAT) as a percentage of the value of goods being declared for importation, the other two variables being the “origin of goods” and the “customs tariff”. This simplicity in Customs brings much needed objectivity, speed and predictability in the clearance process. Operational side of the Customs also needs major reforms. The consignments have to wait for weeks for the Customs inspections that may last for only a few minutes. The conduct of Time Release Study (TRS) which maps the cargo release procedure and measures the time/cost in doing so can facilitate customs improvement and the use of TRS is endorsed by World Customs Organization (WCO).
- **Metric 2. Improve the Quality of Trade and Transport Infrastructure**. Overreliance on the road transport for the movement of the freight poses serious challenges in terms of improving the quality of the national trade. The quality of trade and transport infrastructure has tangible elements, such as road and the rail infrastructure and the intangible side such as regulatory controls, standards, dispute resolutions mechanisms etc. The tangible side of the infrastructure has recorded considerable improvement since 2007, but very limited attention is paid to the intangible side which is equally important. The public sector is expected to perform its’ regulatory function which has been to a large extent missing in the past.
- **Metric 3. Ease the Arrangement of Competitively Priced International Shipments.** Cartels in the transport sector coupled with relatively lower number of vessels touching Pakistani ports compromise price competitiveness for the international shipments. The reforms in Customs, ports, road authorities and the traffic regulators can substantially reduce the transport costs.
- **Metric 4. Improve the Competence and Quality of Logistics Service.** Poor logistics infrastructure, limited regulatory controls and low levels of compliance with national regulations and international standards, seriously compromise the quality of logistics services. Moreover, vocational and technical education in logistics and supply chain management is yet to flourish in the country, which also downgrades the level of skill and knowledge. The public sector is expected to streamline the logistics infrastructure by formulating regulatory controls and ensuring their compliance. Moreover, as the share

of the transport and the logistics is increasing in the GDP; which is expected to increase further in the post-CPEC scenario, educational institutions may consider developing specialised logistics and the supply chain management degrees, courses, and certifications.

- **Metric 5. Improve the ability to track and trace consignments.** A very small percentage of road transport provides tracking facilities, while no such facility exists on the rail network. Track and trace at Customs is also seldom used. All these factors contribute towards lowering the ability to track and trace the individual consignments. The customs, ports and the railways organisations should promote and incentivise the track and trace, with road transport being encouraged to install traceability within vehicles.
- **Metric 6. Improve Timeliness of Shipments**. Factors such as slow and unpredictable road transport, slow customs clearance, longer wait times at the port and possible quarantine at the destination ports can result in a failure to meet shipment deadlines and lost business for both exporters and importers. The proposed Courier and Logistics Regulatory Authority and the Customs should start measuring these shipments that fail to meet target times, and to identify all relevant factors that caused the delay and take measures to avert them in the future.

Figure 5 – Comparing Logistics Performance Index Scores (2010 – 2018)



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